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App. F. IX-4

Previous References.

19 53-54
(C B)

File No. 45Y-30

Serial Nos. /

Later References.

✓

GENERAL AND REVENUE SECRETARIAT

Serial Nos. One

Part B for May 54.

SUBJECT

Notes on the Working of the Food, Industries and Electrical Departments.

WD 010861—GPB—25,000—18-9-50

C. F. [illegible]] 8234 **Routine Notes.** 434

[To be used only for notes, requisitions, etc., not intended for permanent record.]

WD 010851—GPB—20,000 5-6-50

H.H.O.No.452
2.2.51.

No. 432/50-51.
Fd.

Notes on the Working of the Food, Industries and Electrical Departments.

The file may perhaps be marked to the Secretaries to Govt, Food, Development Industries and Electrical Departments, for purpose of personal and facility of taking extracts from the Notes pertaining to their respective Departments, wherein action is necessary to be taken.

Subtd. for orders.

27.3.51. Secy, Food & Agri)
Secy. Dev. Secy)
Secy. P.W.)

Jt. Secy
28/3/51

27.3.51.

19/4

19/4.

SECRETARIAT, DEVELOPMENT DEPARTMENT
30 MAR 1951
8234

SECRETARIAT, DEVELOPMENT DEPARTMENT
19 APR 1951
GOVERNMENT OF MYSORE

Sri N.K.S.

Assistant Secy (Food).
A copy may be prepared & put up for being submitted to the Hon'ble Chief Minister.
29/3.
29/3

Copies relating to Food Supplies are placed below.
19/4 19/4 19/4

Copies are available in the Branch. The file may be sent to the Ch. Secretary.

GENERAL & REVENUE SECRETARIAT & ELECTRICAL BRANCH
No. 291
24 APR 1951

May be passed on to Secy. P.W.
19/4 21/4

N.B.—Should routine notes be written on small slips, the notes may be copied, or slips pasted on this form.

C. F. 74]

666/48

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

WD 010851—GPB—20,000—5-8-50

A copy of the note is available in the Branch Action whereon necessary is being taken. To be used before returning this to the Chief Secretariat

Ke
Mu

991
Cabinet

Chief Secretariat

GENERAL REVENUE SECRETARIAT
30 AUG 1951
Rama

(Council)

This file may now be closed in the Chief Secretariat, ~~to the Secretariat Registry~~ as no further action is to be taken in the Chief Secretariat.

Subtd.

yes
Rama
4/9/9

2.5.57.

2.5.57.

B

N. B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Submitted to His Highness.

I submit herewith for the gracious perusal of His Highness copies of notes on the working of the Departments following:

1. FOOD:

   (a) Food Position in 1950 and prospects for 1951.

   (b) Administration of Food Control in Mysore, 1947-1950.

   (c) Proposals for the revision of scale of rations and the sale price of Food-grains.

2. INDUSTRIES:

   (a) Review of State-owned industries in Mysore.

   (b) Industrial Development Schemes contemplated by the Government of Mysore.

   (c) Sir. M. Visveswaraya's Rural Industrialisation Scheme.

3. Electrical Development in Mysore.

K. Changalaraya Reddy.
CHIEF MINISTER.

Camp - Mysore,
February 2nd, 1951.

No. 432/60-61.
Sec.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Notes on the working of the Food, Industries and Electrical Departments.

452

Order.

JPN.
14/2/57.

Chief Secy)
I require a Sch of the Notes for reference purposes
Rtd.
17/2/57

19.2.51.

19.2.57

P.S. to Chief Min^r) for necessary action.

20/2/57

Action taken. The main file is returned herewith
A.S. (Sec)

23/2/57

FOOD POSITION IN 1950 AND PROSPECTS FOR 1951

I. Position in 1950

The year 1950 opened with a total stock of 25,738 tons of food-grains in the State made up of :—

(i) 16,825 tons of rice,
(ii) 4,131 tons of ragi,
(iii) 781 tons of jola, and
(iv) 4,001 tons of wheat and products

The seasonal conditions in 1949 although not normal were slightly better than in the previous year. In the malnad areas rainfall was insufficient with consequent reduction in yield of paddy, while rainfall was somewhat excessive in parts of the maidan area. Nevertheless, the total production during the year 1950 was slightly better than in the previous year, as will be seen from the following figures :—

Year	*Paddy*	*Ragi*	*Jola*	*Minor millets*	*Total*
		(Figures in pallas)			
1950 ..	46,56,633	41,61,170	5,13,550	3,68,270	96,99,623
1949 ..	49,37,298	34,07,326	4,32,578	3,62,376	91,39,578

It was expected that 16 lakhs pallas of paddy and 4,50,000 pallas of millets (ragi and jola) would be acquired during the year, but actually 17,14,209 pallas of paddy, 4,58,679 pallas of millets were procured as a result ~~of~~ mainly of special efforts made to make up the deficiency particularly under rice.

Against the declared deficit of 1,68,000 tons in 1950 the State was originally promised import assistance by the Centre to the extent of 1,00,000 tons which was, however, subsequently reduced to 75,000 tons. But as this fell considerably short of our requirements, repeated representations were made to the Centre for increasing the ceiling quota, as a result of which supplies actually received improved to 96,000 tons, consisting of 19,600 tons of rice, 59,000 tons of wheat and wheat flour and 18,000 tons of milo. While supplies of wheat and milo were made from the overseas imports, supplies of rice were received both from overseas and internal sources, as detailed below :—

Overseas imports	..	..	4,000 tons.
Uttarpradesh	..	..	5,000 tons.
Madhyapradesh	..	..	5,000 tons.
Coorg	..	..	5,600 tons.

Distribution was continued as in previous years through Government Depots and Co-operative Societies, their number at the beginning and at the end of the year being as follows :—

Government Depots	254	209
Licensees Depots	371	387
Co-operative Society Depots	301	292
Multipurpose Co-operative Societies ..	643	690
Municipal Depots and Village Panchayet Depots	166	197
Total	1,735	1,775

Statutory rationing was confined to the four Cities of Bangalore, Mysore, Kolar Gold Fields and Davangere and rationing in the remaining area continued to be on an informal basis.

When as a result of our discussion with the officers of the Ministry of Food it became clear by about July 1950 that the overall rice position in the country was serious and that we could not expect any additional allotment of rice, our distribution had to be replanned till the end of the year so as to be within our resources. It, therefore, became necessary to reduce the rice component of rations from 6 ozs. to 5.5 ozs. to the " A " class and from 3.7 to 2.4 ozs. to the " B " class from 1st August 1950 ; but the reduction in rice rations was compensated for by an enhancement of the scale of wheat rations from 3 to 4 ozs. in the case of " A " class and from 2 ozs. to 3.8 ozs. in the case of " B ' class, thus increasing the overall scale from 9 ozs. to 9.5 ozs. to " A " and from 11.5 to 12 ozs. to " B " classes.

The inadequacy of assistance from the Centre and the complete failure of mungar crop all over the State added considerably to the strain on the distribution system. But it must at the same time be stated that on the whole distribution was maintained equitably without giving room for actual distress or deprivation anywhere in the State. The population catered to and the quantities issued from distributing centres during the year are detailed below :—

Population—		
Heavy manual labour	96,424	
Adults	46,68,103	
Children	11,53,865	
Total ..	59,18,392	
Quantities issued—		
Rice	1,23,005	tons.
Wheat	66,139	tons.
Millets	58,797	tons.
Total ..	2,47,941	tons.

During the year 1950, issue prices of rice and millets had to be enhanced slightly. The reasons which led to this unavoidable increase have been explained in detail in the printed pamphlet issued by Government on the 19th August 1950. By this measure there has been a substantial saving of loss to Government on food subsidy by about Rs. 43 lakhs.

II. Prospect for 1951.

The crop position during 1950 was one of great anxiety in the earlier stages on account of the complete failure of mungar rains and the consequent slowing down of sowing operations all over the State. Seasonal conditions, however, improved towards the middle of the year and adequate rainfall was received from July to end of November except in parts of the Kolar and Chitaldrug Districts where owing to inadequate rains, there was a failure of the main crops, *viz.*, ragi and jola. Except for this the crop conditions for 1950-51 harvest may be considered fairly satisfactory although the yield is reported to be slightly affected on account of late sowing. The preliminary estimates of acreage and production, as compared with the estimates of last year, are as follows :—

	1949-50		1950-51		
	Acreage	*Yield*	*Acreage*	*Yield*	
Paddy	7,76,864	46,56,633	7,15,581	49,72,145	pallas.
Ragi	18,90,470	41,61,170	17,44,314	38,99,996	pallas.
Jola	3,09,833	5,13,550	2,42,317	4,92,810	pallas.
Minor millets ..	2,99,710	3,68,270	2,56,168	2,89,744	pallas.
Total ..	32,76,877	96,99,623	29,58,380	96,54,695	pallas.

On the above estimates, it is expected that we may procure this year 18,00,000 pallas of paddy and 4,55,000 pallas of millets.

The year 1951 opened with an overall stock of 18,400 tons of foodgrains consisting of :—

(i) 9,300 tons of rice (inclusive of 9,000 tons acquired from new harvest),

(ii) 7,200 tons of millets, and

(iii) 1,900 tons of wheat and products.

The estimate of local procurement during the year (inclusive of 9,000 tons of rice already procured) is 90,000 tons of rice and 45,500 tons of millets or 1,35,000 tons in all. Thus the overall resources of foodgrains taking the local procurement and the opening stocks as on 1st January 1951 stand at 1,44,900 tons, made up of 90,300 tons of rice, 52,700 tons of millets and 1,900 tons of wheat. The estimated requirements during the same period are 2,85,000 tons

of all foodgrains, made up of 1,31,000 tons of rice, 75,000 tons of wheat and wheat products and 79,000 tons of millets. The question of allotment of foodgrains to States during 1951 came up for consideration at the Conference of Food Ministers held in Bombay and the allotment to Mysore has been limited to 75,000 tons. This leaves an uncovered deficit of about 65,000 tons which has necessarily to be made up from import assistance. Assistance from the Centre to this minimum extent has to be secured if the distribution arrangement which was subjected to the stresses and strains of 1950 is to be carried on without a breakdown during the latter part of the year. It is also necessary in view of the year 1951 being expected on all hands to be a particularly difficult year, to conserve our food resources and to tighten up austerity measures. The willing co-operation of the people in this matter is of utmost importance in tiding over the situation till the next harvest. In fact, the lack of foodgrains has to be shared by all, as our Prime Minister remarked in a recent utterance and it lies heavily upon all growers, therefore, to surrender the maximum quantity of foodgrains out of their produce.

N. MADHAVA RAO,

19*th January* 1951. *Director of Food Supplies.*

GPB—500—22-1-51

ADMINISTRATION OF FOOD CONTROLS IN MYSORE
1947 - 1950

*****

I. FOOD POLICY.

(1) Policy from 1943 to 1947: Control over the prices and distribution of essential foodgrains in the State was undertaken for the first time in 1943, consequent on the acute shortages of foodstuffs, and the sudden spiralling up of their prices, brought about by World War II. The first phase of requisitioning of surplus foodgrains undertaken under the order of 8th August 1943 was followed by the more permanent scheme of monopoly procurement of notified essential foodgrains under the Harvest (Acquisition) Order of December 1943 with statewide rationing as its corollary. It is the latter scheme which in its essentials and with further modifications and safeguards introduced in 1944 that is being followed in the State even now except for the interval between February and November 1948 when decontrol was introduced in accordance with the all-India Policy

(2) Period of Decontrol: The policy of decontrol was accepted by the Government of India in December 1947 for being carried out and completed before the end of 1948. Agreeably to this and in view of the comparatively favourable millet position at that time, procurement of millets was abandoned in February 1948 and all restrictions on its movement removed. Distribution of the Government stock of millets was however continued throughout the State till the end of June 1948 in order to avoid hardship to the public. As time passed, pressure from the public for further relaxation of controls became insistent By April 1948 Government had acquired about 12,20,000 pallas of paddy which, supplemented by the balance of import

allotments, was estimated to be just adequate to meet the commitments till the end of 1948. It was therefore decided to decontrol paddy and to abandon its procurement from April 1948. Distribution of rice through Government Agency was however continued on the same scale as before. Although Government decided to abolish statutory rationing in all areas in the State except in the important Cities of Bangalore Civil Station, Mysore, Kolar Gold Fields and Davangere from 1-7-1948, still, as the open market prices were rising, it was considered essential to continue distribution in the derationed and non-rationed areas also more or less on the same lines as before, even after the end of June 1948. In the early part of 1948, control over the marginally* noted miscellaneous commodities was removed and the "Controlled Foodgrains Transport Order 1943" and the "Foodgrains Control Order 1942" were repealed.

* Sugar.
Jaggery.
Onions.
Tamarind.
Chillies.
Horsegram.
Charcoal.
Kerosene oil.

Consequent on the decontrol of millets in February 1948 and of paddy in April 1948, a considerable portion of the Food Supplies establishment in all offices of the Department was retrenched, involving a reduction of 4,622 in the number of persons employed and a saving of Rs.20,45,160/- per annum in cost.

(3) Reimposition of controls: Decontrol, however, brought on an abnormal rise in the prices of foodgrains all over India and the Government of India therefore convened a Conference of Food Ministers of States and Provinces in September 1948 to review the food policy and to consider urgent measures necessary to combat the

evil of rising prices As a result of these consultations it was decided to reimpose controls and to resort to monopoly procurement with immediate effect with a direction to Provinces and States to follow a policy of gradual reimposition of controls so as to get back to the position regarding procurement and rationing which existed in November 1947. Accordingly this Government reimposed controls and reverted to monopoly procurement more or less on the lines as in force prior to decontrol by promulgating in November 1948 Articles of Food Acquisition(Harvest) Order 1948 providing among other things for the following:--

1. Application of the new order from the commencement of actual harvest in each area instead of simultaneously throughout the State,
2. Exemption of small holders,
3. Increase of allowances for domestic consumption to growers and to land holders living in statutorily rationed areas, and
4. In line with the All-India policy, imposition of a substantive sentence of imprisonment in all cases of conviction for food offences.

With the reimposition of controls, the establishment of the Food Department was restored to more or less the scale that existed prior to decontrol. At the same time purchase prices were slightly stepped up by striking a mean between the open market prices during the period of decontrol and the control prices in the preceeding period, as follows:--

			From. Rs.	To. Rs.
Paddy	Fine.	Max.	17- 0-0	
		Min.	15- 4-0	Rs.22/- I Grade.
	Medium.	Max.	15- 0-0	
		Min.	13- 4-0	
	Coarse.	Max.	14- 0-0	
		Min.	12- 4-0	Rs.20/- II "

		From. Rs.	To. Rs.
Ragi	Max.	17- 0-0	20/-
	Min.	15- 8-0	
Jola	Max.	17- 8-0	20/-
	Min.	15-12-0	

This order continued to be in force till November 1949 when, as a result of the experience gained in its working, a revised order was issued under Notification No.SD.4054-C 73-49-4 dated 21-11-1949 incorporating the following modifications:

(i) Abolition of exemptions of certain classes of holders

(ii) Reduction in the allowances for domestic consumption to the cultivators from 1.2 lbs. to 1 lb. per adult per day in line with the All-India scales.

(iii) Increased allowance for farm labourers and seed purposes.

The Articles of Food Acquisition(Harvest) Order 1949 has been continued unchanged under the Essential Temporary (Powers) Act 1950 promulgated by the Indian Parliament and extended to all States including Part B States with effect from 17-8-1950.

II. RESULTS OF LOCAL PROCUREMENT.

The following quantities of foodgrains were acquired during the past three years:-

	1948. (Year of partial decontrol)	1949.	1950.
	------(Figures in Pallas.)------		
Paddy.	12,19,920	16,63,682	17,14,209
Ragi.	1,706	2,39,968	4,00,384
Jola.	951	31,706	49,830
Minor Millets.	51	5,119	8,465

For 1951 18 lakhs pallas of paddy and 4.5 lakhs pallas of millets are estimated to be acquired on the basis of

preliminary estimates of food production

III D E F I C I T S.

In spite of the State-wide measures of 'Grow More Food' adopted in the past two years, it has not been possible to make any considerable progress towards self-sufficiency owing to unfavourable seasonal conditions. Therefore the State's food deficit continues to be more or less at the same level as in the previous years and has been estimated at about 1,42,000 tons, though every endeavour is being made to reduce the deficit by maximising procurement to the extent possible.

IV IMPORT QUOTAS.

For the calendar year 1948, the State was at first allotted 75,000 tons of foodgrains. But owing to changes in the position of overseas supplies on account of political disturbances in Burma and consequent shortfall in the production and despatches of rice from that country, the Government of India were obliged to revise the ceiling quotas fixed for deficit areas. The State's quota was accordingly reduced in September 1948 from 75,000 tons to 62,000 tons. However, after repeated representations, the original ceiling quota of 75,000 tons was restored and the import position having improved towards the end of the year, we were able actually to get 80,987 tons. Against the State's declared deficit of 1,80,000 tons in 1949, a ceiling import quota of 1,00,000 tons was at first fixed But as the year was one of partial failure of millet crops in the State, the Centre after repeated representation by the State made further allotments and by the end of the year 1,26,940 tons in all were actually received. For 1950, against a declared deficit of 1,68,000 tons, the State was originally promised an import assistance of 1,00,000

tons which was subsequently reduced to 75,000 tons owing to import difficulties Since this fell considerably short of our requirements, the Centre was approached for increased assistance as a result of which supplies actually received improved to 96,000 tons, made up of 19,600 tons of rice 59,000 tons of wheat and wheat flour and 18,000 tons of milo. For 1951 the import quota for this State has been fixed at 75,000 tons with the intimation that the availabilities of rice are likely to be poor. To overcome this to some extent it has been urged that the entire Coorg surplus of rice be allotted to Mysore itself instead of the same being shared between Mysore and Malabar as hitherto

V. DISTRIBUTION ARRANGEMENTS.

(i) Population: Out of a total population of 80,00,000 in the State the rationing system in force now covers 59,00,000, as detailed below:--

	Adults.	Children.
1. Statutorily rationed areas.	10,61,115	2,15,816.
2. Other areas.	37,03,412	9,38,049.

(ii) Scale of rations: Since October 1947 the scale of rations has undergone revision several times. The overall scale which at that time was 8 ozs. for both A and B classes(i.e., Rice-eaters and mixed grain eaters respectively) now stands at 9.5 ozs. for the A class and 12.0 ozs. for the B.Class. Subsequent to October 1947 the rice component of the B Class rations was considerably improved and actually stood at 3.7 ozs. in August 1950, while the wheat component of ration for all classes of consumers has been enhanced since then. For example B.Class consumers who were getting no wheat in October 1947 are now being given 3.8 ozs. of wheat per adult per

per day or 3 seers per adult per month. The overall scale of ration for plantation labour was also stepped up in May 1949 to the level of the scale of the B class, the increase having been made under millets. The basic scales of rations now in force stand as follows:-

Class.	Scale per head per day.	Composition.		
		Rice.	Wheat.	Millets.
		(In ounces).		
"A" Class.	9.5	5.5	4.0	..
"B" Class.	12.0	2.4	3.8	5.8
Plantation Labour.	12.0	5.5	2.0	4.5
Heavy Manual Labour.	15.0	2.4	3.8	8.8
Staple wheat-eaters.	9.5	...	9.5	...

The Government of India have since reduced the overall scale of rations all over India from 12 to 9 ozs. per adult per day to tide over the present emergency. The question of revising the basic scales of rations in this State is now under consideration.

(iii) Rationing Agencies:- The total number of ration shops and their classification in the past three years is as follows:-

Year.	Govt.Sales Depots.	Co-op.Society Depots.	Ml.& VP. Depots.	Licensed Retail shops.	Total.
1948.	368	285	174	345	1,172
1949.	254	301 * 643	166	371	1,735
1950.	205	293 * 691	197	386	1,772

(*Multipurpose Co-op.Societies.)

In pursuance of the general policy of extending the benefits of the Co-operative movement to every village or group of villages through the organisation of Rural Development, Government sanctioned the formation of

Multipurpose Co-operative Societies in all the Taluks. Food distribution in the non-statutory and rural areas is being carried on mostly through these Societies which now number about 700. Certain concessions have also been sanctioned to these Multi-purpose Co-operative Societies, the more important of them being:

(1) transfer of staff of the local Government Depots to Societies, the pay of the staff being borne by Government;

(2) supply of the first consignment of foodgrains on credit.

Thus, gradually the number of Government Retail Depots has been reduced year and after and the distribution entrusted as far as possible to Municipalities, Village Panchayets and Co-operative Societies.

VI. OFFTAKES.

The total quantities of foodgrains issued in rationed as well as other areas has been on the increase in the past three years, as will be seen from the following figures:

Year.	Rice.	Wheat	Millets	Total
1948.	1,04,086	23,775	32,767	1,60,628
1949.	1,28,949	41,248	58,033	2,28,230
1950.	1,23,005	58,732	66,204	2,47,941

One noticeable feature is the substantial increase in the issue of wheat. But owing to anticipated import difficulties supplies have so far been not so good as would enable the issues at present scales being maintained and in the circumstances it has become necessary to make up a portion of the wheat ration by milo which is being received in sufficiently large quantities.

VII. AUSTERITY MEASURES.

As a corollary of the foodgrains control and with the object of conserving the limited resources in foodgrains

austerity measures were brought into force during the year 1949. The Mysore Food Order 1946 was superseded and replaced by the Mysore Food(Restriction of Service of Meals by Catering Establishments and others) Order of 1949, issued on 20-1-1949 . This Order was subsequently amended so as to prohibit the preparation and sale of eatables in general demand known as 'idlies' and 'dosais' whether it involved the use of rationed commodities or pulses or not In view of continued representations by the Hotel Proprietors' Association and to go some way to meet the wishes of the general public, the restrictions relating to the working hours of catering establishments were withdrawn on 30-6-1949 and further, in the interest of health of the large body of persons resorting to hotels, the preparation of 'Idlies' 'Dosais' etc., out of rationed or other articles other than rice was also permitted In the light of the latest appreciation of the general food position all over India during 1951 and in pursuance of the resolution adopted at the recent Food Ministers' Conference held at Bombay, the question of further stiffening austerity measures is now under consideration

VIII ARRANGEMENTS FOR CONVERSION OF PADDY INTO RICE.

Rice Mills in the State have since the beginning of procurement scheme been the sources of acquisition as well as the milling of paddy. Action has been taken to standardise the conversion of paddy into rice on an economical basis and with a view to raising the proportion of the yield of rice from paddy. Accordingly the practice of giving slight polish to rice which was in force till March 1949 has since been given up resulting in an increase of 1% yield in rice. At the same time the yields prescribed for the several areas have in the light of tests conducted been revised and it is under contemplation to raise the yields in respect of paddy

grown in the Cauvery channel areas. The form of Agreement with the Rice Millowners has since been revised and adopted so as to provide for strict control over milling and for the recovery of penal rates on shortages detected.

IX. REVISION OF SELLING PRICES.

Nearly eight and a half crores of rupees have so far been spent by Government in subsidy in the sale of food-grains since the commencement of food supply operations, Mysore being the only Indian State which subsidised the sale of locally procured in addition to imported food-grains. The Government of India have advised the adoption of a 'no profit no loss' basis for food supply operations and it was further found that the finances of the State could no longer bear the heavy strain of recurring subsidy expenditure on food supplies. The revision of issue prices of foodgrains carried out in October 1948 resulted in a slight reduction in subsidy expenditure only and, in pursuance of the general policy to eliminate this burden gradually, a further revision of issue prices was brought about from 1st August 1950. The issue prices at the beginning of 1948 and those in force now after their revision are shown below:--

	Up to October 1948. (In seers per rupee.)	Since August 1950
Rice. I	3-Seers.	3 Seers.	2-1/4 seers
II		3-1/2 Seers.	2-3/4 "
Ragi.	...	6 "	4-3/4 "
Jola.	...	6 "	4-3/4 "
Wheat.	...	3 "	2-1/2 "

The revision of issue prices in August 1950 has resulted in a saving of 70 lakhs of rupees per annum against the annual subsidy expenditure of Rs.126 lakhs in 1949-50. Steps for further reducing the burden of subsidy are under active consideration.

X. S U G A R.

In accordance with the all-India policy, sugar was decontrolled in December 1947. Issues through Government agency were however continued till February 1948 in order to ensure that consumers were not inconvenienced as a result of the sudden change-over. Towards the end of July 1949, sugar prices once again began shooting up and peak prices were recorded in August 1949 The increase in prices was also accompanied by artificial scarcity created by the dealers and factories The Government of India therefore decided upon the reintroduction of control over sugar with effect from 2nd September 1949 and accordingly the Sugar and Sugar Products Control Order was promulgated in Mysore in September 1949. Available stocks were frozen and taken over for distribution through Government agency at the regulated price. At the same time persons holding B class ration cards who previously were not being supplied with sugar were also allowed to draw sugar, so that sugar is now made available at a reasonable price to all classes of consumers in the State.

The supply position remained satisfactory till mid-April 1950 when owing to the drying up of Krishnarajasagar Reservoir and the resulting loss of cane crop, the Sugar Factory suddenly stopped operations. This resulted in a shortfall in the anticipated production of sugar for the season by about 4,000 tons A serious situation thus arose and it became necessary to conserve the existing stocks. A slight reduction in the scale of issues from 2-1/4 lbs. to 2 lbs. in the case of the "A" class and to 1 lb. in the case of "B" class was therefore effected. To further economise issues of sugar, issues to hotels were cut by 25% and new concerns involving the use of sugar were not permitted to come up. In July 1950, the scale of issues to cardholders was further reduced to 1-1/2 lbs. and 3/4 lbs. to the A & B class respectively and cuts

were made in the quantities issued for industrial and commercial users of sugar. A review of the sugar position was made in July 1950 when it became clear that the Mandya Sugar Factory would not be in a position to restart work as usual in September 1950. The Central Government was therefore approached for an allotment of at least 6,000 tons sugar from some other source to meet the requirements of the State till January 1951. In August 1950, the stock of sugar with the Mysore Sugar Company was only 12,959 bags against the minimum monthly requirement of 13,160 bags and a further overall cut of 10% had to be made in the supplies for trade purposes such as manufacture of sweetmeats, confectionery, cool drinks etc., as well as to hotels and restaurants. In September 1950 the Central Government made an allotment of 2,000 tons sugar from Madras and Bihar Factories and this sugar began to arrive from the Bihar Factories only towards the end of October 1950. As the arrivals were irregular and the sugar position became extremely difficult, it became necessary to negotiate a loan of 500 tons from ready stocks in Madras. A further allotment of 700 tons sugar from Vuyyuru Sugar Factory was made by the Central Government in November 1950. The Mysore Sugar Company recommenced crushing for the 1950-51 season on 15-11-1950. By about the 20th of December 1950 they produced about 1,200 tons after which the Factory had to again close down owing to non-availability of cane. In December 1950 an allotment of 2,650 tons of sugar was made to the State by the Centre for consumption during January and February 1951 of which 1,050 tons was allotted from the Mysore Sugar Company, the balance being from U.P. Factories. Part of this sugar is still to be received. Meanwhile intimation of an allotment of 2,650 tons for consumption during March and April 1951 has been received.

On a representation made by the Mysore Sugar Company the ex.Factory price of Mandya sugar has been fixed at Rs.33/- per maund of 82-2/7 lbs. for the current season. Taking this into consideration and also the cost of imported sugar, the price of sugar has now been revised and fixed at Rs.1-6-6, Rs.1-7-6 and Rs.1-8-0 per viss in the District and Taluk Headquarters and interior places respectively

XI J A G G E R Y

As the sugar position began to deteriorate by about the middle of 1950, jaggery which was easily available in the market till then became scarce and the price of jaggery also went up to an unprecedented level. With a view to check the rising price of jaggery its export outside the State was prohibited by Government with effect from 3-5-1950. This had no effect however on the price of jaggery and by October 1950 the prices shot up further to about Rs.14/- to Rs.16/- per local maund(24 lbs.). In view of all-India jaggery position the Government of India were obliged to bring jaggery under control. Accordingly the Sugar and Gur Control Order 1950 was promulgated in September 1950 by the Central Government ~~and~~ taking over the powers for regulating the price and distribution of these commodities. The powers under various clauses of this Order have since been delegated to the Director of Food Supplies and the Deputy Commissioners of Districts, ~~in order to enable their local workings~~ The Central Government fixed the ceiling price of jaggery in the State at Rs.21/- per maund(82-2/7 lbs.) and have since revised it to Rs.22/- per maund or Rs.6-6-6 per local maund of 24 lbs. With the introduction of control jaggery became extremely scarce and steps had therefore to be taken during November 1950 to ensure its availability at the notified rates. Deputy Commissioners were requested to call for declarations and to freeze the

available stocks of jaggery with the dealers and to arrange for distribution at the notified rate through approved Co-operative Societies in their areas. In pursuance of the further decision of the Government of India revising their original gur policy, the restrictions imposed on the movement of sugarcane and the manufacture and movement of gur have been withdrawn. Even so the supply position continued to remain difficult. On further representations made, the Central Government have since agreed to the addition of transport charges to the ceiling price and the supply position is expected to improve as a result of the slightly increased jaggery price announced recently.

XII. FOOD COUNCILS AND COMMITTEES.

(1) Food Councils: The Central Food Council with a strength of 17 members was first constituted in September 1943 with a view to enlist the advice and co-operation of non-officials including representatives of producers, consumers, merchants and other interests in the consideration of the measures to be adopted in the day to day administration of food problems. Food Councils for the Cities of Bangalore and Mysore, District Food Councils for Districts and Taluk Food Councils for Taluks were also constituted at the same time and have been functioning in an advisory capacity in their respective spheres

With a view to give wider representation to the Council, the Central Food Council was reconstituted in November 1945 with a strength of 27 members consisting of various representatives and interests including members elected from both the Legislative Council and Representative Assembly. The other Food Councils also were reconstituted at the same time.

It was again felt that further representation of various interests in the Food Council was quite necessary. Government accordingly reconstituted the Central Food Council in February 1949 with a strength of 30 members comprising of representatives of various interests including trade and Commerce, consumers, producers, press, planters, millowners etc. At the same time the District and Taluk Committees constituted under the scheme for the re-organisation of Rural Development work were treated as the District Food and Taluk Food Councils respectively. Accordingly meetings of the District and Taluk Food Councils are being convened quarterly simultaneously with the meetings of the Development Committees.

The Food Councils of City of Bangalore Corporation, Food Councils of Mysore City, Davangere and Kolar Cold Field have also been reconstituted since.

The meetings of the Central Food Council are being convened once in a month and have proved extremely useful in eliciting public opinion in regard to broad policies as well as administrative measures relating to food supply operations in the State.

(2) Food Inspection Committees: In order to ensure supply of good quality grains to consumers, it was considered desirable, as suggested by the Central Government, to constitute Local Inspection Committees in the District Headquarter Towns and Rationed Cities to inspect godowns where Government stocks of foodgrains are stored Committees were accordingly constituted in Government Order No.SD.4130-43/ R.20-50-18 dated 19-9-1950with purely advisory functions but with the power to inspect foodgrain godowns and to bring to the notice of departmental

authorities any defects noticed in the quality of foodgrains. These Committees have just started working and have been doing useful work in certain areas.

XIII FOOD SUBSIDIES

Consequent upon decontrol early in 1948, the prices of foodgrains rose to unprecedented levels and it became necessary at the time of reimposition of controls towards the end of that year to fix higher purchase prices for locally procured foodgrains but without at the same time raising the issue prices This resulted in the payment of subsidy even on locally procured foodgrains. During 1948-49 and 1949-50 Government incurred a subsidy expenditure of Rs.29 lakhs and Rs.42 lakhs respectively on locally procured foodgrains alone. During this period the pool prices of imported foodgrains also increased with the result that there was an overall increase in food subsidies. The total subsidy incurred during the years 1948-49 and 1949-50 were as follows:--

1948-49.	Rs. 1,50,61,703
1949-50.	Rs. 1,26,00,000

From October 1948 the Government of India have been bearing 50% of the State's losses on subsidy. With the financial integration brought about from 1st April 1950, the Centre's share of subsidy was increased to 75%. During the years 1948-49 and 1949-50, we have received from the Centre subsidy assistance to an extent of Rs. 107 lakhs of rupees. The policy of subsidisation by the Centre has been revised with effect from the 1st January 1951 in the light of the proposals made by the Government of India at the Food Ministers' Conference held in December last at Bombay. Accordingly the Government of India's

responsibility for subsidising imported foodgrains has been limited to selected industrial and urban areas only, while for the rest of the country the Government of India would supply imported grain only at pool prices, leaving it to each State to subsidise such grain from their own finances if they consider it necessary to do so. Notwithstanding this decision of the Central Government, which normally should have reduced the total amount of subsidy borne by them as only Bangalore and Mysore are the selected industrial and Urban areas in the State, our ~~the~~ position ~~in this State~~ is not affected materially in view of the promise by the Centre to supply us 70,000 tons of foodgrains at subsidised rates during 1951 against the ceiling quota of 75,000 tons. This is due to the Central Government's decision to supply in the case of Mysore 30,000 tons of wheat and 20,000 tons of milo at the subsidised rates with a view to popularise wheat and milo in the State. Thus only 5,000 tons out of the ceiling quota of 75,000 tons allotted to us in 1951 remains outside the subsidy scheme this being after all a small quantity.

XIV FOOD BONUS

With the reimposition of controls in 1948 and with a view to encourage larger internal procurement, the Government of India decided upon a scheme of food bonus on the basis of local procurement. As a result of this, we obtained a sum of Rs. 35,56,892-0-0 as bonus for the period October 1948 to the end of June, 1950. The bonus scheme has been revised with effect from 1-1-1951, as a result of which the payment of bonus is co-ordinated directly to the ceiling quota of imports and only indirectly to local procurement. According to the revised scheme, no deficit State is entitled to any bonus if it actually

imports during the year in excess of 125% of the ceiling quota. But if the actual import is more than the ceiling quota but less than 125% of the same, the State would be entitled to get bonus on the difference between 25% of the quota and the excess import over the ceiling quota. If however the State imports just the quota allotted, bonus would be payable on 25% of the ceiling quota and if it imported less, it would not only get bonus on 25% of the ceiling quota at Re.1/- per maund but an additional Re.0-8-0 per maund on the quantity less imported. The State's deficit for the current year has been estimated at 1,42,000 tons as against the ceiling quota of 75,000 tons. Every attempt is being made to maximise local procurement with a view to reduce the imports and keep within the admissible limits entitling to the payment of bonus as far as possible. But it is anticipated that, if nothing more than the ceiling quota is imported, about Five lakhs of rupees as food bonus during the calendar year 1951 will be payable to this State.

The bonus received in previous years was being utilised for 'Grow More Food' works but in pursuance of the instructions of the Government of India, a part of the food bonus will be utilised for ~~in~~ construction of Food godowns, plans and estimates for which are under preparation.

XV. FUEL SUPPLY TO BANGALORE CITY AND CIVIL STATION

The supply of fuel to Bangalore City and Civil Area under a monopoly was taken up in 1943 and the control over it has been continued by giving up the monopoly with effect from 1-11-1949 and allowing free trade in fuel alongside the supply through Government agency. Restrictions regarding movement of all varieties of fuel except casuarina from Taluk to Taluk in Bangalore District and

the selling rate of fuel in the City and Civil Station other than in licensed depots have been removed to enable free movement of and trade in fuel in the Bangalore Corporation. In these ways private sources of fuel supply have been encouraged to supplement the availabilities through Government supplies, which has resulted in the requirements of the City being adequately met at reasonable rates

XVI. MEASURES TO CHECK THE RISE IN PRICE OF ESSENTIAL COMMODITIES.

With the outbreak of the Korean War in June 1950, there was a steep rise in the price of several essential commodities forming the daily necessities of life. The Hon'ble Minister for Industry and Supply of the Government of India issued an appeal to the trade to exercise their influence to control the rise in prices due to the unsocial conduct of a section of their profession and to help Government in maintaining a reasonable price level in the country. A similar appeal was made by the Hon'ble Home Minister of Mysore at a meeting of the leading merchants of Bangalore held in the Chamber of Commerce Building on 1st August 1950 After consideration of the several suggestions put forth by the several interests represented at the meeting, a Standing Advisory Committee was formed with the Presidents and Secretaries of the several Merchants' Associations dealing in essential commodities to go into the details of each business and to advise on the measures necessary to tackle the immediate problem of arresting the inflation of prices of essential commodities. The Committee, with the addition of other co-opted members, met and deliberated several times on the ways and means of bringing down the prices and keeping them steady. Under the Essential Supplies(Temporary,

Powers) Act 1950, the powers to control movement and price of essential commodities vest in the Central Government. The price trends and supply position of these commodities in the State are, however, being reviewed and watched with a view to needful action being taken to check inflation.

G E N E R A L.

The Foodgrains Investigation(Maithra) Committee and the Foodgrains Procurement(Tirumala Rao) Committee constituted by the Government of India for reviewing the procurement and distribution of foodgrains in the Indian Union visited this State in March and May 1950 respectively and had discussions with the Hon'ble the Chief and Home Ministers, the Officers of the Food Department as well the members of the Central Food Council. Both the Committees were well impressed with the efficiency of the food administration in the State to which they have referred in their respective reports. Among the more important recommendations made by them are (i) that the State should procure internally 1,75,000 tons of foodgrains and (ii) that the scale of rations may be stepped up to 12 ozs The Foodgrains Procurement Committee have further urged the abolition of the exemption limit for the free movement of foodgrains within the State Their recommendations have been duly considered and the views of this administration furnished to the Central Government

N Mad Rao

DIRECTOR OF FOOD SUPPLIES.

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STATEMENT SHOWING THE ACREAGE, PRODUCTION, PROCUREMENT, OFFTAKE AND IMPORTS OF FOODGRAINS IN THE STATE FOR THE YEARS FROM 1944 TO 1951.

****

(In tons.

Year.	Commodity.	Acreage.	Production.	Procurement.	Offtake.	Imports.
1944.	Rice.	8,02,205	2,54,750	93,795	...	17,245
	Millets.	30,20,401	7,28,158	77,674	...	7,579
	Wheat.	...	..	..	...	25,161
	Total.	38,22,606	9,82,908	1,71,469	...	49,985
1945.	Rice.	8,44,959	2,97,844	97,051	1,20,180	40,647
	Millets.	30,47,347	5,44,157	73,797	84,208	6,508
	Wheat.	...	..	..	16,700	22,462
	Total.	38,92,306	8,42,001	1,70,848	2,21,088	69,617
* 1946.	Rice.	7,59,993	2,07,643	65,852	1,45,728	71,136
	Millets.	28,67,747	3,38,907	20,798	79,547	94,173
	Wheat.	...	..	..	62,507	78,332
	Total.	36,27,740	5,46,550	86,650	2,87,782	2,53,641
1947.	Rice.	7,66,539	2,72,860	90,110	1,25,783	38,798
	Millets.	27,22,092	5,04,442	46,259	78,538	28,552
	Wheat.	...	..	..	12,102	9,490
	Total.	34,88,631	7,77,302	1,36,369	2,16,423	76,840
@ 1948.	Rice.	7,54,956	2,48,106	60,961	1,04,086	39,152
	Millets.	28,25,495	5,64,171	..	32,767	22,237
	Wheat.	...	...	..	23,775	19,598
	Total.	35,80,451	8,12,277	60,961	1,60,628	80,987

(Contd).

| | | |

(In tons.)

Year.	Commodity.	Acreage.	Production.	Procurement.	Offtake.	Imports.
1949.	Rice.	7,67,956	2,46,865	83,000	1,28,949	48,832
	Millets.	26,37,187	4,20,227	24,753	58,033	32,089
	Wheat.	...	...	..	41,248	46,019
	T o t a l.	34,05,143	6,67,092	1,07,753	2,28,230	1,26,940
1950.	Rice.	7,77,129	2,48,070	72,839	1,23,005	22,000
	Millets.	25,00,013	5,04,299	45,407	66,204	18,155.
	Wheat.	...	...	..	58,732	57,270
	T o t a l.	32,77,142	7,52,369	1,18,246	2,47,941	97,425
1951.	Rice.	7,15,581	2,48,607			
	Millets.	22,42,799	4,68,255			
	Wheat.					
	Total.	29,58,380	7,16,862			

* Distress Year.
@ Decontrol period.
% Estimate.

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(continued)

A NOTE ON THE PROPOSALS FOR THE REVISION OF SCALE OF RATIONS AND THE SALE PRICES OF FOODGRAINS.

Rationing was introduced in Bangalore for the first time in January 1943. The scale of rations in the case of those who were accustomed to Rice Diet was fixed at one pavu (9·6 ozs.) per adult per day. The rest who formed the "B" Class were given 1½ pavus (14·4 ozs.) per head per day, children below 10 years being given half the above scale of rations. This was gradually reduced from time to time. According to Government of India instructions, Children below 8 years were given half rations and those above 8 years were considered as Adults. Heavy Manual Labour was given 3 ozs. more than the rations issued to B Class. As repeated requests were made by the Planters, the Plantation Labour was allowed "B" Class rations, the rice component being that of "A" Class. The staple wheat eaters were allowed the full quantum of rations *viz.*, 9 ozs. in wheat. The present scale of rations to the several classes is as follows :—

	Rice	*Wheat*	*Millets*	*Total*
	(Ozs. per head per day)			
(i) "A" Class ...	5·5	4·0	...	9·5
(ii) "B" Class ...	2·4	3·8	5·8	12·0
(iii) Heavy Manual Labour ...	2·4	3·8	8·8	15·0
(iv) Plantation Labour ...	5·5	2·0	4·5	12·0
(v) Staple Wheat Eaters ...	...	9·5	...	9·5

Statutory Rationing is now in force in the following areas :—

1. Corporation of the City of Bangalore.
2. Mysore City.
3. Kolar Gold Fields Area.
4. Davangere.

In all the other parts of the State informal rationing is in force.

2. In view of the anticipated food deficits, the Government of India, Ministry of Food, have suggested that the scale of overall rations may be reduced to nine ounces, Heavy Manual Labour alone being allowed an extra four ounces. On consideration of all aspects of the

case in respect of this State, it is now proposed to revise the scale of rations as follows, and give effect to it from 1st February 1951. Government of India have also been addressed to permit us to give one more ounce to "B" Class Card Holders, *i.e.*, 10 ozs.

(Revised Scale of Rations Proposed)

	Rice	*Wheat*	*Millets*	*Total*
	(Ozs. per head per day)			
"A" Class	5·5	3·5	...	9·0
"B" Class	2·4	1·0	5·6	9·0
Heavy Manual Labour ...	2·4	1·0	9·6	13·0
Plantation Labour ...	5·5	1·0	2·5	9·0
Staple Wheat Eaters ...	...	9·0	...	9·0

3. Mysore is the only State in India which has been subsidising the sale of locally procured foodgrains in addition to bearing the full subsidy on imported foodgrains till October 1948. It is only from that stage onwards that a portion of the subsidy on imported grains is being borne by the Government of India at 50 per cent of the calculated issue price up to end of March 1950 and at 75 per cent thereafter. The total amount of loss on subsidy on locally acquired and imported grain borne by the State for 1943-44 to end of 1949-50 is Rs. 5,86,62,661 as detailed below :—

	Rs.
1943-44	71,591
1944-45	28,17,751
1945-46	30,12,440
1946-47	1,75,76,124
1947-48	75,23,052
1948-49	1,50,61,703
1949-50	1,26,00,000

The above losses are exclusive of (1) about Rs. 2 crores spent so far on the administration of the Food Supplies Department at the rate of about Rs. 30 lakhs per annum, and (2) Rs. 63,20,600 received from the Central Government as their share of subsidy on imported grains since October 1948. The total amount of loss of about Rs. 8,50,00,000 as above has proved a very heavy drain on the finances of the State, which in the present financial position, can no longer be borne by the general revenues. The neighbouring States have, on the other hand, been incurring no such losses, the issue prices of foodgrains

in those States being fixed on the principle of " service at cost ", which includes also the administration charges. Thus, the selling prices of foodgrains in the neighbouring States have always been higher than those in force in this State. The Government of India have been repeatedly advising this Government to minimise the losses on subsidising the sale of foodgrains. It is against this background and, as any further debit of such losses to general revenues was considered financially unsound, that it was decided, with the concurrence of the Government of India, to revise the issue prices of foodgrains as follows with effect from 1st August 1950 :—

Rice	... I Variety	...	$2\frac{1}{4}$ seers per rupee.
	II Variety	...	$2\frac{3}{4}$ seers per rupee.
Millets	...	...	$4\frac{3}{4}$ seers per rupee.

4. It will be seen that the revision of prices has been confined to only rice and millets, the issue price of wheat having been retained at the existing level of $2\frac{1}{2}$ seers per rupee with a view to offset to some extent the increase in the cost of rice and millets. The revised prices of rice and ragi were still substantially lower than, and compared favourably with, the corresponding prices in force in the neighbouring States.

5. A situation has now arisen wherein this Government are constrained to increase the issue prices still further. The Government of India are no longer allowing us the subsidy at the rate of 8 annas per railway maund or (Rs. 2 per palla) which they were paying us up to end of December, 1950, on locally procured foodgrains. This amounted to about Rs. 44 lakhs per year and we have now to forego it. The subsidy on imported rice which the Government of India had been giving us is now considerably reduced as the quantity of rice allotted to Mysore this year is expected to be about 10,000 tons only as against 25,000 tons and 30,000 tons during the previous two years. The Government of India had been giving us subsidy on the entire quantity of foodgrains allotted from the Centre so far. But they have limited the subsidy to be granted this year to a quantity of 70,000 tons only.

6. Even after the enhancement of issue prices from 1st August 1950 referred to above the State has still to bear a subsidy of about 61·8 lakhs on locally procured foodgrains.

7. The Foodgrains Procurement Committee have recommended that there is "no reason whatever for the continuance of the present system of food subsidies for internal procurement and consider that the issue price of foodgrains should be pitched at a level where, in the case of internal procurement, there is no profit or loss. The present system of subsidising internal procurement is suicidal in the long run and cannot be justified."

8. With a view to reducing the subsidy involved to Government, it has been proposed to enhance the retail issue prices as follows, and the savings to Government would be about Rs. 41 lakhs 88 thousand (Rs. 41,88,000):—

	From	*To*	*Savings to Government.*
			Rs.
(1) Rice I variety	... $2\frac{1}{4}$ seers per rupee	$2\frac{1}{8}$	... 8,35,000
(2) Rice II variety	... $2\frac{3}{4}$ seers per rupee	$2\frac{1}{2}$	... 20,00,000
(3) Milo and Millets	... $4\frac{3}{4}$ seers per rupee	$4\frac{1}{2}$	6,87,000
(4) Wheat	... $2\frac{1}{2}$ per Re.	Re. 0-6-8 per seer	... 6,66,000
		Total ...	41,88,000

Even this reduction will not enable the Government to meet the entire cost of food administration in full.

N. PUTTARANGASWAMY,
Secretary to Government,
Food and Agriculture Departments.

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REVIEW OF STATE-OWNED INDUSTRIES IN MYSORE

Government have been following a definite policy of fostering the growth and development of industries in the State from time to time over a long period of years. The policy has been to nationalise all basic and key concerns like Electricity, Iron and Steel Works, etc. In the case of some new industries also, where private enterprise is lacking, Government start them of their own. With regard to the other medium scale industries, Government, generally, sponsor them on a Joint-stock basis and become participators in the capital and management granting certain concessions and facilities. The rest of the industries are open to private enterprise, Government extending their help by way of certain concessions in the matter of power, water, land etc.

The total capital invested by Government in industrial concerns financed and managed by them comes to Rs.520 lakhs. A list of these concerns is given below -

1. The Mysore Iron and Steel Works, Bhadravati,
2. The Mysore Implements Factory, Hassan,
3. The Government Dichromate Factory, Belagula,
4. The Government Fertiliser Works, Bhadravati,
5. The Central Industrial Workshop, Bangalore,
6. The Government Electric Factory, Bangalore,
7. The Government Porcelain Factory, Bangalore,
8. The Government Soap Factory, Bangalore,
9. The Government Sandalwood Oil Factory, Mysore,
10. The Shimoga Sugar Factory, Shimoga,
11. The Government Silk Weaving Factory, Mysore,
12. The Government Silk Filatures, Kankanhalli.

With a view to ensuring co-ordination in the working of these concerns, reviewing their progress and dealing with problems expeditiously, Government have constituted three Boards of Management - one exclusively for the Mysore Iron and Steel Wirks, one for both the Government Electric Factory and the Government Porcelain Factory, and a third for the remaining Government Industrial concerns (with the exception of the Government Silk Filature, Kankanhalli, which is under the control of the Director of Sericulture).

Most of the State-owned industries were established several years ago and the plant and machinery have not undergone any major replacements owing to the intervention of the War. With a view to re-adjusting the economy of these industries to suit modern conditions, Government have drawn up proposals for the expansion of the Soap Factory, the Porcelain Factory, the Electric Factory, the Cement Factory, The Iron Works, and the Silk Factory. Schemes are also on hand for the starting of a Fertilizer industry, for setting up another Sugar Factory at Shimoga and for establishing a Raw Film Factory. The main problem is, however, that of finance. Government have approached the Central Government for loans fo finance many of these projects but in view of the present financial stringency, the assistance which the Government of India are likely to extend will not cover more than a portion of our needs.

In the following reviews an attempt has been made to give an indication of the working of the several concerns, the progress achieved and their present financial condition.

THE MYSORE IRON & STEEL WORKS, BHADRAVATI.

GENERAL. The Mysore Iron & Steel Works, were established in 1918 and production of charcoal pig iron commenced in January 1923. The total capital invested by the Government to the end of March 1950 was Rs.386.86 lakhs made up of a fixed capital of Rs.230.5 lakhs on the running plant, Rs.127.95 lakhs on the Development Works in progress plus a working capital of Rs.28.41 lakhs.

MANAGEMENT. 2. The erection and operation of the plant in the initial stages were in the hands of the Tata Iron & Steel Company Ltd., who were appointed the Managing Agents of the Works. With the termination of the managing agency arrangements in 1924, the entire responsibility for the administration of the WORKS was assumed by the Government.

The Control and Superfision are exercised by a Board of Management consisting of 3 official and 6 non-official members with the Hon'ble Minister for Industries & Finance as the Chairman. The functions and powers of the Board in the administrative and financial spheres have been defined and cases requiring prior approval of Government have also been specified.

GENERAL FINANCIAL POSITION. 3. The general financial position of the WORKS, as disclosed by the Balance Sheet for the period ending March 1950 (July 1949 to March 1950), was as under:

	(Rs. in lakhs)	Fixed capital comprises of the following:	
Fixed Capital.	358.45	Block Capital	230.50
Working Capital.	28.41	Development Capital Works.	123.06
Sundry Creditors.	42.68	Depreciation Fund Works.	4.89
General Depreciation Funds.	241.35	Raw Materials.	21.68
Other Funds.	26.34	Stores, spares, etc.	43.31
Profit & Loss a/c.	34.09	Stock-in-trade.	25.07
		Book Debts.	61.51
		Investments.	214.44
		Cash.	6.86
Total.	731.32	Total.	731.32

The break up of the Block Capital of Rs.230.50 lakhs is given below:-

	(Rs. in lakhs)
Central Factory.	71.57
Pipe Foundry Plant.	20.23
Steel Plant.	27.92
Cement Plant.	10.82
Ropeways & Tramways.	25.97
Town Developments.	17.05
Strip Mill.	24.38
Alcohol Refining, Tar & Distillation Plants.	3.67
Open Hearth Furnace.	5.38
Electric Furnaces.	4.09
Ferro-Alloy Furnaces.	4.28
U.B.T. Construction.	4.83
Machine Shop.	3.27
Other Misc. Assets.	7.04
Total.	230.50

PROGRESS OF OPERATIONS.

4. The main plant originally consisted of a blast furnace with a productive capacity of 60-80 tons of pig iron per day (since increased to 28,000 tons of pig iron per annum) and a chemical plant for the recovery of the bye-products of wood distillation. In view of the absence of coal mines nearby, the blast furnace was specially designed for charcoal smelting and it was expected that the higher cost of charcoal would be offset by the recovery of wood distillation bye-products as well as by the superior quality of pig iron products. This expectation was not, however, realised and the disposal of pig iron at competitive prices became unremunerative.

To recover the ground lost and obtain better trading results the following ancillary units were since added. Other fruitful lines of production like steel, cement were also taken in hand; details are given below:-

(a) Pipe Foundry:- Installed in 1926 to produce about 30 to 35 tons of cast iron pipes per day. Nearly 60% of the output is earmarked for supply to the Government of India.

(b) Steel Plant:- ~~Billets for running this mill are now obtained either from Tata Iron and Steel Company or by Imports, and supplies are not regular.~~ The expanded steel plant that would be installed under the development schemes in progress will in future supply all the billets from within the WORKS itself, making the manufacture of rods and hoops self-sufficient. To handle the surplus pig iron left over and at the same time ensure a better balance of operations, a steel plant for the manufacture of mild steels by the 'Open Hearth' process was installed in 1934. Production of flats, rounds, square bars, angles, etc., started in 1936.

(c) Cement Plant:- A Cement plant (with a capacity of 60 tons per day) was added in 1937. Supplies of clay, sand and lime-stone are available nearby.

(d) Ferro-Silicon Plant:- The ferro-silicon plant, which is the first of its kind in India, was installed at Mysore in 1942 with the assistance of the Government of India. Mysore was chosen in view of ready availability of electrical energy. The new Ferro-Silicon Plant of nearly four times the existing capacity is being installed in Bhadravati.

(e) Rod & Strip Mill:- For the manufacture of wire rods and baling hoops, the Mill was installed in 1942 and operations started in 1946. Billets for running this mill are now obtained either from Tata Iron & Steel Company or by Imports, and supplies are not regular.

WORKING RESULTS.

6. The production and sales of pig iron, steel and

and other products over a period of years have been as indicated below:-

A. PIG IRON.

	1945-46.	1946-47.	1947-48	1948-49.	1949-50 *
Gross Production (Tons).	25021	24634	21545	22130	6703
Consumed in General and Pipe Foundries. (Tons).	10263	11346	10351	10744	8305
Consumed in Steel Plant (Tons).	13353	9028	7884	7353	4636
Net Production available for sale (Tons).	1405	4260	3310	4033	NIL
Value of net Production (Rs. in lakhs)	1.68	5.43	4.70	6.51	--
Sales.					
Quantity (Tons).	3671	2683	1113	923	--
Value (Rs. lakhs).	4.96	3.93	1.69	1.59	--

* For nine months from July 1949 to March 1950.

B. STEEL SECTION.

Production.				
Quantity (Tons)	23380	20629	20619	23228
Value (Rs. lakhs)	60.18	57.24	63.71	76.09
Sales.				
Quantity (Tons)	26803	20750	18977	23980
Value (Rs. lakhs)	76.16	66.19	62.04	81.21

C. CEMENT PLANT.

Production.				
Quantity (Tons)	23785	23025	20677	21428
Value (Rs. lakhs)	11.70	10.53	11.28	13.56
Sales.				
Quantity (Tons)	23405	22625	20768	21659
Value (Rs. lakhs)	14.26	13.22	15.20	17.34

D. C.I.PIPES.

Production.				
Quantity (Tons)	9419	8001	7103	6854
Value (Rs. lakhs)	19.69	20.99	19.65	21.86
Sales.				
Quantity (Tons)	8089	9042	6488	8526
Value (Rs. lakhs)	19.14	21.61	16.54	23.64

	1945-46.	1946-47.	1947-48.	1948-49
E. FERRO-SILICON PLANT.				
Production.				
Quantity(Tons)	954	1039	1764	2007
Value (Rs. lakhs).	7.13	6.54	10.49	13.45
Sales.				
Quantity (Tons).	1052	1144	1912	2110
Value (Rs.lakhs).	8.88	8.90	13.52	16.12

An analysis of the trading results of the different lines of production over a period of years is given below:-

	1945-46	1946-47.	1947-48	1948-49.	1949-50. *
		(Rs. in lakhs).			
1. Pig Iron.	2.18	-0.73	0.10	0.10	0.22
2. Chemical Plant products.	-1.38	-1.29	-0.73	-0.48	-0.51
3. General Casting.	0.55	0.16	0.18	0.24	0.68
4. Steel Casting.	1.28	0.52	0.28	0.09	-0.12
5. Steel Section.	8.98	3.52	2.44	3.54	1.84
6. Shop Works.	4.34	0.27	1.15	1.12	0.53
7. Ferro-Silicon.	0.46	1.48	2.57	2.34	2.03
8. Cement.	2.72	2.74	3.00	376	0.56
9. C.I.Pipes.	1.06	0.54	-1.68	0.03	0.64
10. Strips.	--	--	--	0.62	-0.49
	20.19	7.21	8.21	11.36	5.18
Other receipts less appropriation to Amenities Fund.	4.01	3.06	2.84	1.74	-0.67
Net Profit.	24.20	10.27	11.05	13.10	4.51

*For nine months (July 1949 - March 1950)

(-) indicates loss.

The total value of products manufactured since the commencement of operations to the end of June 1949 was about Rs.12.60 crores. The operations resulted in losses till about 1936. With the installation of the Steel Plant, the prospects of the WORKS improved and small surpluses were earned after 1936.

DEVELOPMENT SCHEMES IN PROGRESS DURING THE PAST FOUR YEARS.

7. To achieve better financial results and obtain a more satisfactory balance of operations, various development schemes have been taken in hand and some more are contemplated. The total outlay on the development scheme under execution is, according to the revised estimates, Rs.288.45 lakhs and the expenditure incurred to the end of March 1950 was Rs.123.06 lakhs. Details of these schemes are given below:-

(a) Installation of Electric Pig Iron Furnaces:

The use of charcoal for smelting has been found to be too expensive, notwithstanding the availability of

forest fuel in abundance. Freight charges for the transport of coal and coke to the WORKS constitute a serious hindrance to the establishment of operations on a sound basis. As there is no dearth of ore, the only way to ensure the financial success of the WORKS is to expand the WORKS by utilising Hydro-electric power. Cheap electric power at about 0.26 of an anna per unit will be available from the Jog Hydro-Electric Project, whose output is now in the process of being stepped up from 48,000 Kw to 1,20,000 Kw.

The installation of two electric pig iron furnaces with a productive capacity of 100-110 tons each per day is in progress. These are expected to start functioning within a year. The total output of pig iron from the electric and the charcoal blast furnaces is expected to be about a lac of tons per annum. The financial outlay on the installation including improvements to mines and tramways is estimated at over Rs.1.5 crores as indicated below:-

	(Rs. in lakhs) Revised Estimates.	Expenditure incurred to end of March 1950.
Electric Pig Iron Furnaces.	95.00	25.17
Improvements to Mines, Tramways etc.	58.50	26.44
	153.50	51.61

Balance of expenditure yet to be incurred is Rs.101.89 lakhs.

(b) Expansion of Cement Plant:

The cost of production of cement at the WORKS is comparatively higher having regard to the distance from which lime-stone and coal have to be transported. To utilise to best advantage the surplus blast furnace slag from the electric pig iron furnaces, it is proposed to expand the existing productive capacity of the cement plant (60 tons) by an additional 200 tons per day (i.e., a total of 80,000 - 1,00,000 tons per annum). The whole expansion scheme is expected to cost Rs.72 lakhs and the expenditure incurred to the end of March 1950 was Rs.37 lakhs.

(c) Acetic Acid Plant:

The working results of the Wood Distillation Plant have been disappointing. To avoid the recurring losses, an up-to-date Acetic Acid Plant with a productime capacity of 2 tons of acid per day is being installed.

The estimated cost of the installation is Rs.18,50 lakhs, of which a sum of Rs.10 lakhs was spent to the end of March 1950. The plant is expected to come into operation shortly.

(d) Ferro-Silicon Plant:

The productive capacity of the furnaces (- these are located at Mysore -) is about 2000 tons of ferro-silicon per annum. The new plant recently erected at Bhadravati is a larger unit (7,000 tons per annum) and will meet the

entire requirements of India which are now estimated at 4,000 tons per annum. The manufacture of ferro-alloys is also contemplated. The total estimated cost is Rs.18.2 lakhs.

EXPANSION SCHEMES PROPOSED

8. Other expansion schemes are contemplated which would involve a capital outlay of about 3.6 crores over a period of five years. A return of 6% is expected and the increase of the output to 1,00,000 tons per annum in respect of each of the major lines of production, viz., pig iron, steel, cement.

Details of the expansion schemes since sanctioned and contemplated are as under:-

(a) Installation of a Bessemer Duplex Electric Plant for the manufacture of Steel:

The expansion of the steel plant is necessary to convert the increased production of pig iron into marketable steel. Steel is at present manufactured by the 'Open Hearth Process' involving use of coal, which is continuously going up in cost and is becoming difficult to obtain on account of frequent transport difficulties. To make the manufacture more economical and avoid use of coal the installation of a Bessemer Duplex Electric Plant at an estimated cost of Rs.45 lakhs has been proposed. This plant will produce steel ingots which have to be converted into finished sections by further rolling in Mills.

(b) Billet & Light Structural Mill:

For this purpose a billet and Light Structural Mill at an estimated cost of Rs.85 lakhs has also to be installed. Both these items (a) and (b) go together and have since been sanctioned. The total amount of (a) and (b) is Rs.130 lakhs.

(c) Other Expansion Schemes necessary are -

	(Rs. in lakhs)
i) Special Alloy and tool steel plant.	25.00
ii) Wire & Wire Products Mill.	25.00
iii) Tube Mill (for seamless tubes)	50.00
iv) Stainless Steel Plant & Sheet Mill.	100.00
v) Calcium Carbide Plant.	2.50
vi) Extension of Tramways.	26.00
	228.50

NOTE:- (a) Items (i) to (v) represent quality products which command favourable facilities for manufacture in Bhadravati and are capable of yielding a remunerative return. Though on account of financial stringency these items have been proposed to be taken as second stage development, they have to be completed in continuation of the Works already sanctioned and institute the five year programme (1950-1955).

(b) Extension of Tramways: The cost of transport of ores and fuel is at present high owing to the low tonnage hauled over the tramways lines

owned by the WORKS. With the proposed expansion of pig iron & steel plants, the tramways may be required to carry about 2,00,000 tons of ore per annum as against the 50,000 tons carried at present. The extension of tramways from 60 to 100 miles is therefore essential.

FINANCIAL ASPECTS OF THE SCHEMES.

9. The total ~~a~~ outlay required to complete the development schemes taken on hand and those to be completed with them will be over Rs.5 crores as indicated below:

		(Rs. in lakhs)	
(a) To complete the schemes under execution: (All the schemes at (a) to (d) in para 7 supra plus expansion of shop Foundry and Yard)	=	165.87	Immediate.
(b) Schemes at (a) and (b) of Para 8.	=	130.00	Immediate.
(c) Schemes at (c) of para 8	=	228.50	To follow.
Total.		524.37	

The entire output of steel is under the control of the Government of India and fair retention prices have on the advice of the Tariff Board, been sanctioned on the basis of the higher manufacturing costs and other relevant factors. These prices which were settled in October 1949 are to remain operative till March, 1951.

Any lifting of the price control is not expected to bring about adverse trade conditions since the c.i.f. prices at which imports of steel could be landed in India with the revenue duty would be much higher than the full manufacturing costs or the fair selling prices fixed by the Tariff Board.

LABOUR CONDITIONS AND AMENITIES.

10. The WORKS provide employment for 5,000 labourers besides officers, etc., and the labour population will increase when the various development schemes are completed.

Uniform Rules known as the 'WORK SERVICE RULES' have been framed for regulating pay, leave, retiring benefits, bonus etc., of the employees serving in the State-owned industrial establishments. Acquisition of technical training is also encouraged by the grant of Scholarships. Housing accommodation has been provided at moderate rents; medical and educational facilities have also been provided. A well laid-out ~~kaaw~~ town with all modern sanitary arrangements, such as protected water supply, has sprung up close to the WORKS.

GENERAL.

11. The disadvantages arising out of the absence of coal fields nearby will be considerably counter-balanced by the adoption of electric smelting unit for pig iron and steel manufacture.

The WORKS are steadily growing into a national industry of increasing importance to the country as a whole and its usefulness will be greatly increased when the development schemes are completed.

Jsk.

THE MYSORE IMPLEMENTS FACTORY, Hassan
~~BANGALORE~~

General. - The Mysore Implements Factory was started in 1939 with the object of manufacturing and supplying implements and edge-tools required by peasants and artisans. Production commenced in 1940, with the manufacture of axes, cutlery articles, stoves, etc. The production of garden and tea and coffee estate implements commenced later. During the war, the factory also produced special implements and tools, such as, reaping hooks, flesh forks, etc. It is now engaged in the manufacture of over 200 varieties of articles including improved bullock carts, sheet metal works, light structural and ornamental steel fittings.

Capital Structure.- The capital structure of the concern as at 30th June 1950 was as follows:-

	Rupees in lakhs
Fixed capital ..	3.62
Working capital ..	4.00
Total	7.62

Management.- The Factory is now under the administrative control of the Director of Metallurgical and Chemical Industries in Mysore. A qualified Engineer has been appointed as the General Manager of the Factory.

General Financial Position.- The following is an analysis of the general financial position of the company, as disclosed by the Balance Sheet for the year ending 30th June 1950:-

	Rupees in Thousands)		
Fixed Capital	3,62	Buildings ..	1,06
Working capital ..	4,00Ø	Land ..	4
Minor Capital Works	14	Plant & Machinery	2,40
Unpaid wages ..	16	Tools & Appliances ..	9
Security Deposits ..	2	Equipment (Electrical)	5
Sundry creditors ..	3,00	Do (Workshop)	4
P.F. with interest ..	32	Furniture, Live stock &c.	16
Consignment Goods a/c	83	Minor capital assets	14
Audit fees ..	1	Closing stock - raw materials	1,86
Consignees Advance a/c	11	~~Work~~ Works in progress	62
Depreciation Reserve	1,50	Scrap ..	8
Income-tax ..	2	Finished goods	4,22
Reserve Fund		Structures ..	27
Account of piece rate		Advance account ..	36
contractors ..	8	Sundry Debtors ..	2,01
Profit and Loss a/c..	1,46	Staff security deposit	1
		P.F. invested ..	1
		Depreciation reserve	
		invested ..	29
		Consignment account ..	82
		Cash balance ..	66
		Miscellaneous ..	8
Total	15,27		15,27

Note - (i) The figure, 1,46 lakhs shown against Profit and Loss Account shows accumulated profit less amounts credited to Government from time to time. The total profits from the inception of the Factory amount to ~~Rsx3x62~~ Rs.3.25 lakhs as against the total of Rs.3.62 lakhs invested in fixed capital of the concern.

P.T.O.

Working Results.- The working results over a period of years are summarised below -

Rupees in thousands

Year	Opening Stock	Production	Sales	Closing Stock	Net Profits	Total Capital Investments	Return on Capital Outlay
1945-46	45	371	326	102	63	363	17%
1946-47	102	490	499	164	43	386	11%
1947-48	137	470	392	190	17	601	2.8%
1948-49	190	516	369	357	16	642	2.5%
1949-50 (9 months)	357	243	174	477	3	762	0.4%

Profits were earned during the war, but working has now become uneconomical. Production at competitive prices has become difficult for the following reasons:-

(a) The factory is not mechanised and is at present running on manual labour to the extent of 90% of the production,

(b) "Drop Stamps" used for forging which were purchased 3 years ago at a cost of Rs.80,000 cannot be utilised for want of power and also for want of one or two machines for die-making.

(c) The location of the factory at Hassan, 115 miles from Bangalore involves heavy freight charges on coal,

(d) Scrap iron from Railways, Tatas and other sources is not available in sufficient quantities.

Expansion Schemes.- It is felt that the difficulties facing the factory can only be got over by a proper mechanisation of the operations and production on a mass scale. With this object in view and to ensure the financial success of the factory, expansion schemes have been drawn up, the more salient features of which are indicated below.-

(a) The scheme for immediate execution involves an investment of a further sum of Rs.10.5 lakhs in fixed capital (Rs.7.5 lakhs for new machinery and plant and Rs.3.0 lakhs on replacements and renewals of existing machinery). It is anticipated that if this scheme is implemented, production will be stepped up to Rs.13 lakhs per annum, yielding a net profit of Rs.1.5 lakhs after providing for depreciation at 7½% and interest on capital at 6¼%. The present working capital is Rs.4 lakhs; this would have to be increased to Rs.6 lakhs when the expansion scheme is put into operation

(b) The long term scheme contemplates a total capital investment of Rs.50 lakhs (Rs.30 lakhs fixed capital plus Rs.20 lakhs working capital). This scheme is expected to increase productive capacity of the concern to Rs.42.12 lakhs per annum and to yield a net profit of Rs.3 to 4 lakhs.

(c) Besides the above two schemes, a post-war plan involving a total capital investment of Rs.232 lakhs (fixed capital Rs.175 lakhs and working capital Rs.57 lakhs) for the production of Rs.104 lakhs worth of implements, tools, hollow and enamel wares, etc., has also been prepared. This plan, when implemented, is expected to yield an annual return of Rs.15 lakhs.

(d) Scheme (a) is proposed to be taken up as quickly as possible. Meanwhile, efforts are being made to improve the sales and reduce stocks by restricting production to such articles as are in demand.

THE GOVERNMENT DICHROMATE FACTORY, BELAGOLA

GENERAL

The Government Dichromate Factory was established in 1940. The starting of the factory was occasioned by war-time demand for locally manufactured dichromates needed for use in the textile and leather-tanning industries. Thus, it was primarily a war-time measure and its successful working after the cessation of the war depended on the assistance and support obtainable from the Government of India. The amount of capital invested to the end of March 1950 was Rs. 5.95 lakhs made up of a fixed capital of Rs. 4.15 lakhs and a working capital of Rs. 1.8 lakhs.

MANAGEMENT.

There is a Board of Management to exercise general control and supervision over the Factory. There is also a small sub-committee of technical experts attached to the Factory. Dr. K.R.Krishnaswamy (now Director of Industries in Bihar) is a member of this Committee.

The general financial position, as on 31-3-1950 was as follows:-

(Rs. in lakhs).

Liabilities.		Assets.	
Fixed capital.	4.15	Land & Buildings.	1.14
Working Capital.	1.80	Plant & Machinery.	3.07
Advances from Government for plant.	0.13	Stocks & Stores.	3.92
Sundry creditors.	1.75	Sundry debtors.	0.27
Depreciation Reserve.	0.74	Other debit balances.	0.54
Deposits and other credit balances.	0.37	Cash.	0.20
P & L.Account.	0.20 (a)		
	9.14		9.14

(a) The credit balance of the profit and loss account represents the cumulative result of the working of the Factory since its inception and not the net profit during 1949-50 (for 9 months).

PRODUCTION.

The productive capacity of the plant is 300 tons per annum of dichromates valued at Rs. 3.9 lakhs.

WORKING RESULTS.

The working results of the Factory over a period of years are as follows:-

Production.	1945-46.	1946-47.	1947-48.	48-49.	49-50.
Dichromates (Qty.tons)	170	26	98	155	16
Sulphates. "	274	271	107	133	70
Silicates. "	-	400	175	9	57
Value of production (000 Rs.)	316	165	247	288	141
Value of sales.	327	176	196	258	142
Value of closing stocks.	201	213	277	368	392
Net profit "	17	(-) 12	(-) 10	(-) 20	(-)70

Since the commencement of the concern to end of 1945-46, the Factory was able to realise working surpluses as there was good demand for bichromates from firms engaged in war supplies production. But from the year 1946-47 and onwards, the demand for the product gradually fell off on account of the change-over from Khaki to olive-green material for military iniform and the decline of the tanning industry. After the partition of India, those parts of the country which produced raw hides formed part of Pakistan and the little quantity of raw hides available in India is being exported with the result that the activities of the leather-tanning industry are reduced. Further the imports of sulphur dyes and vat khaki dyes permitted after the close of the war have also reduced the demand for bichromate for khaki dyeing.

Thus the reduction of consumption of dichromates in India has landed the entire industry in great difficulties and in common with similar manufacturers, the Government Dichromate Factory is also affected. The Bichromate Manufacturers's Association in India submitted several representations to the Indian Tariff Board and to the Government of India explaining the crisis facing the industry and ~~x~~ requesting adequate protection in the form of banning the export of raw hides and skins from India, specifying the use of mineral khaki cloth dyed with the use of bichromates for use in Military, Police and other Departments, grant of export subsidy and other measures. This matter is being vigorously pursued by Government with the Central Government. But the request for the major remedies has yet to materialise. In their latest Memorandum, the Association has urged the Government of India to come to the rescue of the industry without delay as otherwise it would collapse.

Under the above circumstances, the Government Dichromate Factory is suffering losses, in spite of various measures continuously taken to improve the plant and process of manufacture and to resort to additional lines of manufacture.

Pending revival of the demand for the dichromates in the country, it has been latterly decided to suspend manufacture of dichromates completely and to restrict production to Sodium Silicate. The Technical Committee is at present examining the question of resorting to alternative lines of production.

It is hoped that active help from the Government of India to revive the industry will soon be forthcoming.

THE GOVERNMENT FERTILISER WORKS, BHADRAVATI.

GENERAL

Government have approved of a scheme for the erection of a Chemical Fertiliser Factory at Bhadravati for the manufacture of 50,000 tons of Chemical fertilisers (25,000 tons Ammonium Sulphate and 25,000 tons Nitro-lime) per year, with provision to double the output

PROGRESS TO DATE

The scheme has been approved by the Government of India, who have also issued the necessary licences for the import of machinery from the United States of America and the United Kingdom.

Government have concluded an agreement with Messrs. Chemical Construction Corporation of New York, who also act as Consultants to the Government of India for the Sindhri Fertiliser Factory, for technical assistance in connection with the proper installation and functioning of the plant. The Corporation are to be paid a consolidated fee of 2,72,000 dollars for their services of which a sum of 40,000 dollars has already been paid in advance. It is open to Government to call for quotations for the supply of machinery, but the selection is to be done in the light of the technical advice tendered by the Corporation. A deputation of local Technical Officers in charge of the scheme recently visited U.S.A., U.K. and the continent and in collaboration with the Consultants have settled all details regarding lay-out, design and specifications of plant and equipment so as to minimise capital cost and ensure maximum efficiency.

Early in 1950, orders were also placed for Electrolytic Cells to the total value of Rs. 30 lakhs but execution of these orders is held up pending establishment of a letter of credit.

CAPITAL REQUIREMENTS.

According to estimates prepared by the Consultant firm and accepted by Government, the capital requirements in respect of the factory buildings and plant and machinery, including freight, duties, erection charges and the consultants' fees is Rs. 258 lakhs. Adding a provision of Rs. 15 lakhs for initial working capital and including estimated expenditure on account of residential buildings land, unforeseen charges, etc., the total capital required is estimated at Rs. 300 lakhs. The intention is to spread the outlay over a period of years as follows:-

(Rs. in lakhs)

	India.	U.S.A.	U.K.	Total.
1949-50.	0.27	1.45	-	1.72
1950-51	5.00	40.00	-	45.00
1951-52	50.73	40.05	95.32	186.10
1952-53	49.00	5.00	13.18	67.18
Total.	105.00	86.50	108.50	300.00

An application was made to the Centre for the grant of a loan of Rs. 3 crores to finance ~~to~~ the Project. In view however of the present financial stringency, Government are considering the ~~poss~~ possibility of having the concern floated as Joint Stock Company, with an investment of Rs. 40 lakhs by Government. Even for meeting its share of Rs. 40/- lakhs Government have had to seek assistance from the Central Government in case the full capital of Rs. 300 lakhs cannot be financed by the Centre.

GENERAL.

A good market is assured and there is every prospect of the project establishing itself on a sound financial basis. India's requirements of chemical fertilisers were estimated by the ~~&~~ Food Grain Policy Committee in 1943 at about 20 lakh tons per annum. The Sindhri Factory is expected to produce about 3.5 lakh tons per year. Even after allowing for production from other factories, a gap of 10 to 15 lakh tons is still left to meet India's full requirements. The world supply position of fertilisers being difficult, there is little danger of imports being available in large quantities and their underselling the Indian products.

At the prevailing market rate a return of 15% is expected on the capital outlay after providing for depreciation (at 10%), and interest on capital (6% on fixed capital of Rs. 285 lakhs and 4% on the working capital of Rs. 15 lakhs).

Though this project was conceived by Government mainly as a means of utilising the surplus electric power generated at Jog, the rich experience the Government have gained by running the small Fertiliser Factory at Belagula and the several advantageous features in the location of the factory at Bhadravati rendering the production of these chemical fertilisers, at rates comparable favourably with the rates at which the Sindhri Factory expects to produce, and above all the urgent need for more fertilisers in view of the grave food situation have also prompted the Government to proceed with the scheme as early as possible.

CENTRAL INDUSTRIAL WORKSHOP, BANGALORE

The Central Industrial Workshop, Bangalore, was established in 1897 as a repair shop in connection with the Chamarajendra Water Works, and was transferred to the control of the Department of Industries and Commerce in 1917. The Workshop now undertakes repairs of machinery in the several departments of Government, repairs and supply of spares required by the Government-owned and private industries of the State, structural work, such as, manufacture of tanks, filter-presses, edge runners; etc.

Development Schemes.- A scheme for remodelling and shifting the Workshop to a new location near the Government Electric Factory on Mysore Road at an estimated cost of Rs.12 lakhs is shortly to be taken up for execution. This scheme is intended to meet the growing requirements of the Government Industrial and Technical Departments in respect of maintenance and servicing of plant and machinery and to provide facilities for the manufacture of engineering equipment, required by industry. On completion of the scheme, the working of the concern is expected to yield a return of 10 per cent on the capital investment.

Financial.- The following table shows the capital structure of the concern as on 31-3-1950 as well as production, sales and profits during the last few years:-

Fixed capital .. Rs.1.6 lakhs,
Working capital .. 0.5 lakhs.
(A further expenditure of Rs.30,000 has been incurred on the acquisition of lands, etc., in connection with the expansion scheme).

	1945-46	1946-47	1947-48	1948-49	1949-50 (for 9 months)
	Rs	Rs	Rs	Rs	Rs
Production (Thousands)	1,25	1,93	1,99	2,18	1,74
Sales (")	1,18	2,09,	2,13	2,45	1,87
Net profits after providing for depreciation	12	27	27	32	18

The financial position of the Workshop as at 31-3-1950 was as under -

(Rupees in lakhs)

Liabilities		Assets	
Fixed Capital	1.57	Plant and Machinery	1.96
Working Capital	0.80	Works in process	0.52
Sundry Creditors	0.31	Sundry Debtors	1.48
Depreciation Reserve	1.28	Advances	0.03
Provision for Bonus	0.15	Suspense (General)	0.13
Other Reserves, etc.	0.44	Provision Stores	0.01
Profits during the year	1.00	Depreciation Reserve	0.70
		Security Deposit and Provident Fund investment	0.03
		Cash on hand	0.69
Total	5.55		5.55

Management.- This concern is under the management of the Board of Management for Industrial Concerns.

THE GOVERNMENT ELECTRIC FACTORY, BANGALORE.

The Government Electric Factory, Bangalore, which is owned and managed by the Government of Mysore, was established in 1933 on an experimental basis and commenced manufacture of transformers, street light fittings, fusible cut-outs, etc. The Factory is now equipped to produce other equipment also such as electric motors, iron-clad switches, precision instruments, bakelite articles, etc. The manufacture of pumps is also under consideration.

Development schemes for the expansion of the Factory and modernisation of the Bakelite, Forging, and instruments sections are being contemplated. Plant worth about Rs. 6.54 lakhs has already been received against the sanctioned scheme but further progress has been held up pending consideration of a larger scheme of expansion drawn up by the Westinghouse Electric International Co., U.S.A.

The following shows the capital structure of the Factory as on 31-3-1950 as well as production, sales and profits during the last few years:-

Fixed Capital .. Rs. 18.85 lakhs.
Working Capital. Rs. 44.08 lakhs.

	1945-46. Rs.	1946-47. Rs.	1947-48. Rs.	1948-49. Rs.	1949-50. Rs. (for 9 months)
Production (Thousand)	1157	1104	1276	1411	2245
Sales. (")	1342	1412	1148	1504	2194
Net profits(") (Plus) or Loss (-)	- 155	- 80	- 18	(-) 51	(-) 45

Working of the Factory:- The operations of the Factory over a period of 15 years have resulted in a profit of Rs. 4.5 lakhs on the aggregate after contributing Rs. 8.5 lakhs towards Depreciation.

It will be seen from the foregoing that the Factory has been working on profitable lines continuously except for 1948-49 and 1949-50. The main reasons for the losses during these years are as follows:-

1. The cost price of bakelite-ware had to be reduced by Rs. 88,900/- as the market prices went down appreciably;

2. Expenditure of about Rs. 50,000/- (both under materials and labout) was incurred for the manufacture of dies, jigs, etc., for experimental and development work under Post-war Development Schemes. This is really an expenditure of a capital nature but charged to Revenue.

3. Additional depreciation had to be provided for the several new machines received in connection with the Post-war Development Schemes.

The general financial position of the Factory for the period ending ~~31-3-1950~~ 31-3-1950 was as follows:-

LIABILITIES.	(Rs. in lakhs)	ASSETS	(Rs. in lakhs)
Fixed Capital.	18.85	Plant & Machinery.	11.81
Working Capital.	44.08	Dies and Jigs.	0.61
Sundry Creditors.	13.18	Buildings.	4.74
Depreciation Reserve.	8.52	Furniture, Fixtures and Loose Tools.	1.69
Provident Fund contribution, and Subscription. ...	1.99	Sundry Debtors.	12.40
Interest payable.	2.63	Stores.	30.48
Other credit balances.	2.20	Stocks.	7.83
		Works-in-process.	10.68
		Plastic Scheme.	0.61
		Advances.	0.87
		Depreciation.	3.57
		Provident Fund.	0.50
		Other debit balances.	0.19
		Cash	5.12
		Profit & Loss A/c	0.35
Total.	91.45	Total.	91.45.

Management:- The Factory is now under a Board of Management constituted by Government with the following members:-

1. Director of Industries & Commerce, Bangalore - CHAIRMAN.
2. The Chief Electrical Engineerto Government of Mysore.
3. The Secretary to Government, Development Department, Bangalore.
4. Prof. M.S.Thacker, B.Sc.(Hons), (Eng),(Bri'L), M.S.E.E., F.A.M.I.E.E., M.Inst.F., M.I.E.(Ind), A.M.I.E.E., F.A.Sc., Director, Indian Institute of Science, Bangalore.
5. Sri R.Subbanna, Ex.Mayor, Bangalore Corporation, Bangalore
6. Secretary.

GOVERNMENT PORCELAIN FACTORY, BANGALORE

The Government Porcelain Factory, Bangalore, was established towards the end of 1930 with the object of manufacturing insulators and other Porcelain requirements of the State Electrical Department. In 1932 the factory took up the production of electro-porcelain insulators which is its main line of activity and that of crockery as a side line in 1940, with a total capacity of 600 tons per annum. It is equipped with an up-to-date electrical kiln besides three coalfired kilns, and electrical and chemical testing laboratories. The future prospects for this Factory are very bright in view of the several schemes of the Government of India and Provincial Governments for the development of hydro-electric power. The manufacture of sparking plugs useful for the Automobile Industry is under investigation.

A scheme for the expansion of the Factory for an annual production of 2000 tons of High-tension Insulators and 500 tons of other electro-porcelain articles is under the active consideration of Government. Proposals for expansion of the factory at an estimated cost of Rs.One crore have been received from Messrs. Westinghouse Electric Co.Ltd. Similar proposals at a lower cost have also been received from a Japanese firm and both these schemes are under the active consideration of Government.

With the proposed expansion of electro-porcelain section as indicated above, crockery manufacture has to be separated from the present factory premises as an inevitable measure. Proposals therefore for the setting up of a new Ceramic Factory are also being considered.

Financial.- The following table shows the capital structure of the Factory at the end of March 1950 as well as the production, sales, and profit during the last five years:-

Fixed capital	..	Rs.14.03 lakhs,
Working capital	..	1.60 " .

Results of working (in Rs.thousands)

	1945-46	46-47	47-48	48-49	49.50 (9 months)
Production	350	437	404	371	386
Sales	730	762	713	641	592
Net profits (+) or loss (-)	+133	+120	+ 12	- 73	+ 46

It will be seen from the above that the factory has been working on profitable lines except during the year 1948-49, when it incurred a loss of Rs.73,000/- chiefly due to large accumulation of Crockery articles which did not find a market on account of the fall in the market and keen competition from other manufacturers, such as, Bengal Potteries, Gwalior Potteries,etc. Our Crockery found a good market during the war-period; but during the post-war years the market got glutted with other makes of better quality, with the result that Crockery manufactured in the Government Porcelain Factory could not find a ready market.

The working of the Factory from 1932 to 1950 has resulted in an aggregate profit of Rs.3.9 lakhs after allowing a sum of Rs.7.45 lakhs towards depreciation.

P.T.O.

The general financial position of the concern for the period ending 31st March 1950, was as under.-

Liabilities	Rs (in lakhs)	Assets	Rs (in lakhs)
Fixed and Minor Capital	14.03	Fixed Assets	14.08
Working capital	1.60	Investment, e tc.	4.93
Depreciation Reserve	7.45	Sundry Debtors	3.60
General Reserves	0.96	Stock and Stores	5.79
Sundry Creditors	1.19	Other Debit balances	0.26
Other liabilities	1.63	Cash on hand	0.56
Profit and Loss A/c.	2.36		
Total	29.22		29.22

Management.-

The Factory is now under a Board of Management constituted by Government with the following members:-

1. The Director of Industries and Commerce in Mysore, Bangalore, (Chairman)
2. The Chief Electrical Engineer in Mysore, Bangalore,
3. The Secretary to Government, Development Department, Bangalore,
4. Prof. M.S. Thacker, B.Sc.,(Hons.)(Eng)(Bri'L), M.I.E.E., F.AM.I.E.E.,M.Inst.F.,M.I.E.(Ind), Director, Indian Institute of Science, Bangalore.
5. Sri. R. Subbanna, Ex-Mayor, Bangalore Corporation, Bangalore.
6. Secretary.

GOVERNMENT SOAP FACTORY, BANGALORE.

The Government Soap Factory, Bangalore, which is owned and managed by the Government of Mysore was established in 1918 with a small investment of less than Rs.50,000 for the manufacture of washing and toilet soaps. The products of the Factory comprising various kinds of soap-toilet, washing, insecticidal and other industrial soaps - have become so popular and famous that its productive capacity is strained to its maximum and has developed into one of the leading Soap Factories in India. The Mysore Sandal Soap produced by the Factory has become a house-hold word throughout India as among the very best Indian soaps and as a high class product. The demand for its soaps is so great that it is no exaggeration to say that it has not been able to satisfy even 50 per cent of the demand. The Director of Industries and Commerce, has therefore submitted proposals for increasing its production.

The question of expanding the Factory and of building it on modern lines has been engaging the attention of the Government of Mysore since 1940. The expansion scheme under consideration envisages an increase of the output to 3,000 tons with provision to stepping it upto 5,000 tons per annum at an estimated cost of about Rs50 lakhs including a working capital of Rs.28.5 lakhs. It is proposed to spread the expenditure over a period of four years and the scheme itself is to be taken up in two stages - in the first stage by increasing the output to 1,000 tons of soap per annum at a cost of about Rs.2.75 lakhs of which Rs.2 lakhs are for the working capital, and in the second stage by locating the Factory at the new premises in the Industrial Suburb of Bangalore and stepping up production to 3,000 tons per annum with a target of 5,000 tons per annum.

The following table shows the Fixed and Working Capital of the Factory as on 31-3-1950 as well as production, sales and profits during the last few years.-

Fixed Capital	--	Rs.2.99 lakhs
Working Capital	--	2.26 "

		1945-46	46-47	47-48	48-49	49-50 (for 9 months)
Production	(Thousands)	4,68	8,61	11,58	10,62	8,20
Sales	(")	7,76	12,62	19,34	17,53	12,40
Net Profits	(")	1,08	1,55	3,78	2,86	1,65

The general financial position of the Factory as on 31-3-50 was as under.-

Liabilities	(Rupees in Lakhs)	Assets	
Fixed Capital	2.99	Fixed Assets ..	3.04
Working Capital	2.26	Stores ..	3.04
Depreciation Reserves	2.56	Stock in trade ..	0.32
Sundry Creditors	0.51	Work in progress ..	1.57
Reserves & Deposits	0.64	Depreciation Reserve Fund Investment	2.59
Other liabilities	4.75	Debtors	2.99
Total profit to end of June 1949	30.52	Advances	0.58
Profit & Loss account	1.60	Profit paid to Govt.	28.69
		Profit in Reserve	2.14
		Cash	0.87
Total	45.83		45.83

Board of Management.- The Factory is under the Board of Management of Industrial Concerns, composed as hereunder -

1. The Minister for Finance and Industries (Chairman)
2. The Director of Industries and Commerce in Mysore,
3. The Director, Chemical & Metallurgical Industries in Mysore,
4. The Additional Director of Industries & Commerce in Mysore,
5. The Convener - to carry on all correspondence on behalf of the Board.

THE GOVERNMENT SANDALWOOD OIL FACTORY.

GENERAL:

In 1915 Government sanctioned the establishment of a factory for the distillation of oil from Sandalwood which is a State monopoly. A small distillery was erected in Bangalore in 1916 and a larger one was added at Mysore in the following year. Distillation of the oil started in 1917. The Bangalore distillery was closed down in 1931 and distillation was centralised in Mysore. In 1944 a supplementary factory was opened at Shimoga. The factory has its own Agent in the U. S. A. for the distillation of oil there.

ADMINISTRATION:

2. Government have appointed a Director to be in charge of the administration of the factory, assisted by a General Manager and a Works Manager. The Capital of Rs.17.07 lakhs as at 31-3-1950 was made up of a Fixed Capital of Rs.8.97 lakhs plus a Working Capital of Rs.8.10 lakhs.

General Financial Position:

3. The general financial position, as disclosed by the Balance Sheet as at 31-3-1950, was as follows:-

(Rs.in thousands)

Capital ...	897	Buildings ...	498
Depreciation Fund (Withdrawal for Shimoga assets)	198	Machinery & Plant	521
Working Capital	810	Furniture, Equipment and Tools: ...	101
Depreciation Reserve:	886	Value of Raw Materials and Finished stock:	397
Provident Fund	157	Provident Fund investment ...	157
Sundry Creditors	451	Depreciation investments	886
Reserve for bad & doubtful debts:	375	Cash on hand & remittance in transit ...	255
Reserve for loss of oil in Paris and Hamberg ...	61	Sundry Debtors ...	1,320
Reserve for Income-Tax and Sales-tax:	154	Comptroller's Adjustment Account ...	4,082
Suspense ...	298	Sundries ...	3
Miscellaneous	18		
Net Revenue	3,915		
	8,220		8,220

The depreciation reserve built up-to-date covers nearly 80% of the total capital assets of the concern (including furniture, tools and equipment).

The market price of oil is affected by the ruling prices of other essential oils. The average rate thus realised for sandalwood during the last few years is as follows:-

1945-46	--	Rs.2,402
1946-47		3,205
1947-48		3,157
1948-49		2,960
1949-50		3,181

4. The maximum productive capacity of the distillery unit, which is the biggest of its kind, is 15,000 lbs per mensem of crude oil, equivalent to 13,500 pounds of refined oil valued at about Rs.6.21 lakhs. 80 to 90% of the maximum capacity is being utlized at present. The capacity in terms of sandalwood is 2,000 tons per annum and the average in-take is about 1,200-1,500 tons.

5. There is a ready market for Sandalwood oil all over the World; exports to dollar areas earn over half a million dollars of foreign exchange. Markets in the U.K. and Europe are secured by Government's Trade Commissioner in the U.K. and Government have made agency arrangements in other foreign countries.

MARKETING: Detailed statements furnishing the quantities of sandalwood distilled, oil produced, gross revenue and net revenue realised and capital invested from the time of starting the factory are given in the following statement:

Year.	Quantity of sandal-wood distilled Tons.	Output of Oil Lbs.	Gross Revenue (Sales) Rs.	Working expenses. Rs.	Net Revenue credited as value of sandalwood used: Rs.	Capital invested (Fixed and. Working) Rs.
From 1916-17 to end of 39-40:	34,938	36,69,121	5,74,11,663	1,53,76,644	4,19,83,892	...
1940-41	1,571	1,70,603	21,73,682	6,69,642	12,29,040	14,97,957
1941-42	1,775	2,05,318	24,09,688	7,80,261	14,29,427	15,25,900
1942-43	1,200	1,35,138	19,51,995	7,16,203	12,35,792	15,26,489
1943-44	859	79,492	13,11,073	4,85,211	8,25,862	15,28,832
1944-45	1,431	1,28,672	30,11,688	7,24,996	22,16,692	15,78,180
1945-46	1,743	1,71,638	50,75,474	9,63,008	41,12,468	16,02,440
1946-47	1,695	1,66,691	64,83,619	10,39,220	54,44,399	16,13,796
1947-48	1,352	1,38,556	43,59,337	12,10,999	33,82,224	16,55,708
1948-49	1,156	1,11,189	49,48,400	11,89,549	37,58,851	16,92,431
1949-50 (9 months only)	1,183	1,17,035	50,97,282	10,89,091	39,14,954	17,06,839
T o t al	48,903	50,93,453	9,42,33,901	2,42,44,802	6,96,03,601	

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THE SHIMOGA SUGAR COMPANY LIMITED.

(In formation)

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Government, in association with the Mysore Sugar Company, Ltd., Bangalore, have decided to float a Joint-Stock Company, with an authorised share capital of Rs. 65 lakhs, Government subscribing 9% of the capital and the Mysore Sugar Company Limited 30%. The rest of the capital will be open to the public for subscription. Surplus Mill available with the Mysore Sugar Company at Mandya will be utilised and equipped to a crushing capacity of 600 - 800 tons of cane per day. The factory is meant to provide opportunities for the raiyats in the Shimoga area-to benefit by growing a regular cash crop in addition to food grains in which the area is surplus. An anicut is being constructed along the rever Thunga to ensure water for irrigation. Incidentally the scheme serves to promote Malnad development.

The Management of the Company will be vested in a Board of Directors consisting of nine members, of whom three will be nominated by Government, three will be representatives of the Mysore Sugar Company and the other three chosen from amongst the shareholders. The Chairman of the Mysore Sugar Company will also be the Chairman of the Shimoga Sugar Company. Government have also promised to extend concessions for acquisition of lands for the Company, and to supply the electric power and water required for the factory. The site selected by the Provisional Board for the Factory has been approved by Government. Preference will be given to the cane growing raiyats in the area to subscribe towards the capital.

The Government of India have approved the starting of the additional factory at Shimoga, as a part of the All-India plan for increasing sugar production in the country. The implementation of the scheme is being expedited.

GOVERNMENT SILK WEAVING FACTORY, MYSORE.

The Government Silk Weaving Factory, Mysore, was established in 1931 for the manufacture of high grade silk fabrics, such as Georgettes, Crepe-de-chine, Satin, etc. The maximum productive capacity of the plant is about 13,000 yards of Silk per month. The Factory is working with 46 looms. Raw silk is obtained from the Government Silk Filatures, Kankanhalli and the Mysore Silk Filature, Ltd., T-Narasipur.

DEVELOPMENT SCHEMES:- The expansion of the activities of the Factory by the addition of 70 looms along with dyeing as well as finishing equipment at a total cost of Rs. 7½ lakhs is contemplated. By this, the present production of 400 yards per day is expected to be increased to 650 yards per day. It is proposed to take up the expansion scheme in two stages, as indicated below:-

I Stage (1950-51)	..	Rs. 2.5 lakhs.
II Stage (1951-52)	..	Rs. 5.0 lakhs.

FINANCIAL:- The following table shows the fixed and working capital of the Factory for the period ending 31-3-1950 as well as production, sales and profits during the last five years:-

Fixed Capital	..	Rs. 4.24 lakhs			
Working Capital	..	Rs. 3.00 lakhs.			
	1945-46.	1946-47.	1947-48.	1948-49.	1949-50 (for 9 months)
	(Rs. in thousands)				
Production	12,08	12,84	10,01	12,69	10,61
Sales	14,18	13,45	12,28	14,67	9,07
Profit	2,07	1,92	1,72	2,29	72

The following is the financial position of the factory as on 31st March 1950:-

(Rupees in thousands)

Liabilities.	Rs.	Assets.	Rs
Fixed Capital	4,24	Land and Buildings.	99
Working Capital	3;00	Machinery and Equipment	3,01
Depreciation Reserve.	4,58	Water Works & Minor Capital Expenditure	14
Provision for Income-tax, Provident and Retiring Funds etc.,	1;60	Furniture, Tools and Plants	12
Sundry Creditors	3,09	Work in Progress.	1,21
Outstanding Payments.	27	Closing Stock of Raw materials	1,34
Profits to be surrendered	1,62	Closing Stock of Finished goods.	3,41
Net Profits.	72	Closing Stock of spare parts.	45
Sales Tax collected.	28	Sundry Debtors.	1,19
Other items.	11	Advances.	12
		Depreciation Reserve Investment.	4,36
		Agency Deposit & P.F. Investment.	40
		Retirement Fund.	9
		Cash on hand & in Treasury	2,62
		Other items.	6
Total ..	19,51	Total	19,51

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MANAGEMENT:- The Factory is under the Management of the Board of Management for Industrial Concerns.

GOVERNMENT SILK FILATURE, KANKANAHALLI.

GENERAL: This filature was started by Government on behalf of the Government of India acting on behalf of His Majesty's Government for the production of parachute silk, in the year 1943. It has 200 basins and a production capacity of about 40,000 lbs. of silk per year. After the cessation of the War, Government bought the filature as from October 1945 for Rs.5,64,032-7-6 being the value of machinery, building and the stocks on hand to run it as a pilot concern for production of raw silk and also to serve as an institution for improvement and research. The fixed capital invested in the concern is Rs.4,13,100 and its Working capital is Rs.5 lakhs.

PRODUCTION AND FINANCIAL POSITION. The following is a summary of the working results:-

Year.	Quantity of silk produced:	Profit earned: (Rs.)
From 15-8-1945 to 30-6-1946.	24,600 lbs.	1,83,823-13-7
July 1946-47	35,500 "	36,092-14-8
July 1947-48	38,105 "	25,024 8 3
July 1948-49	39,786 "	19,034 15 9
1949-50 (9 months)	25,987 "	20,000 0 0 (Approximately)

The profits have been showing a decline. But the filature has not suffered any losses, till recently. This is largely due to the fact that this filature was placed in an advantageous position regarding the availability of raw material as it was within the range of supply of cocoons of superior grade disease free layings issued by Government and Aided Institutions and partly due to the fact that the internal competition of charkas in this area was not so acute in the areas affected by the Mysore Silk Filatures Ltd. Yet the fact remains that this filature also has been considerably affected recently on account of the high prices for cocoons and consequent losses on production.

The other filatures have also been suffering the same fate. It is hoped that the situation will ere long improve and that the filature will regain its former position.

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Note on the Industrial Development Schemes contemplated by the Government of Mysore.

The accompanying reviews on the working of the State-owned Industries in Mysore gives in respect of each Government Industrial Concern an idea of the organization, financial position, and working results over a period of years, as also an indication of the expansion schemes on hand and those proposed to be taken up.

A five-year plan for Industrial Development has also been drawn up in accordance with the requirements of the Planning Commission, indicating the order of priority in which the several schemes are proposed to be implemented. A statement showing these schemes is placed below. It will be seen therefrom that the total capital cost of the several schemes works out in the aggregate to Rs.11.26 crores of which expenditure and commitments to the extent of Rs.1.25 crores have already been entered into.

The first eight schemes in the statement are to be regarded as of concurrent priority as they are already in process of implementation or form integral parts of schemes already on hand, and cannot, therefore, be deferred until other schemes are completed. It is hoped that it will be possible to bring these fully into operation during the next two years leaving the others for being taken up thereafter, in order of priority.

It may be pointed out that the statement is not quite exhaustive. The following schemes have been left out either because the Planning Commission which has to view the matter in the All-India context is

not likely to accord priority to them or because it is proposed to finance them wholly from State revenues:

1. Expansion of the Government Soap Factory in two stages - the first stage involving an expenditure of Rs.2.75 lakhs and the second stage about Rs.50 lakhs. The necessity for the expansion has been explained in the review enclosed herewith. As the Government of India are not inclined to accord any priority to the Soap Industry, it is proposed to finance the scheme from State revenues.

2. Expansion of the Government Implements Factory, Hassan: This again is proposed to be implemented in two stages, the first stage involving Rs.10.5 lakhs and the second stage Rs.50 lakhs. As indicated in the ~~Government~~ review, mass-production and mechanization of operations are essential in order to enable this factory to produce goods at competitive prices. Government have also been considering a long-term plan involving a total capital investment of Rs.232 lakhs, but in view of the financial situation and the proposed setting up of the Machine Tool Factory by the Government of India, this scheme might have to be dropped eventually.

3. Re-modelling and shifting of the Central Industrial Workshop: With the growth of industry in the State, the increase in the number of industrial concerns and the increasing demand from Government Technical Departments, it has become necessary to expand the Central Industrial

Workshop in order to provide facilities for the local fabrication of engineering equipment and spare parts and for repairs and replacements of various types of machinery. The shifting of the Workshop from its present location has also become necessary. The cost involved will be about Rs.12 lakhs.

Drugget Processing Centre: The statement of priority schemes drawn up at the instance of the Planning Commission includes the establishment of a Drugget Processing Centre. The manufacture of druggets which is a well established small-scale industry in the States of Madras and Mysore has gained increased importance of late owing to its dollar earning possibilities, and the Madras and Mysore Governments have, in co-operation, established a Joint Drugget Industry Advisory Board to promote this industry. The Government of India are also keenly interested in its progress in view of the imperative need for stepping up exports and of earning hard currency. Processing of the raw material is quite necessary in order to ensure standardised products and thus to capture the American market. With this end in view, it has been decided to set up a Processing Centre with the co-operation of the Drugget Manufacturers, if possible, or entirely on Government account, if inevitable, so that it will be possible to supply processed wool to the manufacturers and thus to ensure uniform quality. The total cost of the Processing Centre will be about Rs.10 lakhs and it is proposed that this should be shared by the Governments of Madras and Mysore. It is expected that the Government of India will also assist in financing the scheme in view of the importance of this industry in the All-India context.

Rural Industrialisation Scheme:- The Rural Industrialisation Scheme sponsored by Sir M. Visvesvarayya, which has, at present, been introduced in two districts (Bangalore and Kolar) at a sanctioned cost of Rs.4.5 lakhs is proposed to be extended to all the districts in due course. Though, as at present envisaged, the objective is that the scheme should aim at self-sufficiency, it is necessary that at least in the initial stages a considerable measure of financial assistance will have to be afforded by Government. It is difficult to determine the actual cost that such a system might involve, but at a very rough estimate, it is expected that an annual grant of Rs.24 lakhs might be found necessary. The Government of India are keenly interested in the scheme and have sanctioned a grant of Rs.2½ lakhs for this purpose. It is hoped that with the extension of the scheme to the whole State, the grant from the Centre will be proportionately enhanced and that half the cost will be met by the Centre, the balance being left to the State Government to provide.

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GOVERNMENT OF MYSORE

(Items 1 to 8 to be given Top Priority and to be taken up simultaneously as they are already in process of implementation)

Statement of Industrial Schemes and their order of priority.

Sl. No.	Name of Scheme	Total Capital estimate in lakhs (Approximate)	Amount paid in lakhs (Approximate)	Further amount required in lakhs (Approximate)	Remarks
1	2	3	4	5	6
1.	Electric Pig Iron Furnaces, Mysore Iron and Steel Works	95.00	25.17	69.83	* & 2. The shortage of coal and fuel and the availability of cheap electric power in the State have necessitated the installation of the electric pig iron furnaces to secure reduction in costs and better standardised output. Practically all the machinery for the Electric Pig Iron Furnaces has been ordered and work is in progress. The plant is expected to start functioning within a year.
2.	Improvements to Mines and Tramways, etc. (M.I. & S.W.)	58.50	26.44	32.06	
3.	Cement Plant (Mysore Iron and Steel Works)	72.00	37.17	34.83	The all-round shortage of cement throughout the country has compelled the expansion of the Cement Plant. The plant has arrived, has been erected, and is now on trial runs. It will shortly go into full production.
4.	Ferro-Alloy Plant (Mysore Iron and Steel Works)	18.20	16.18	2.02	There is a good demand for Ferro-Silicon and other Ferro-alloys, and this development is therefore expected to give a good return. The Mysore Iron and Steel Works have already specialised in this line and hence it has been taken up.

1	2	3	4	5	6
5.	Acetic Acid Plant (Mysore Iron and Steel Works)	18.50	9.44	9.06	This is obtained as a bye-product by direct extraction from pyroligenous liquor. There is a great demand for it.
6.	Shimoga Sugar Factory	6.00	0.22	5.78	The concern is already in formation and is being set up as an adjunct to the Food Production Drive and in view of the fact that the industry has vast possibilities. The total capital cost will be Rs.65 lakhs of which the State Government's commitment will be 9 per cent or about Rs.6 lakhs.
7.	Drugget Processing Centre	10.00	-	5.00	The amount of five lakhs represents the share of the Mysore Government, the balance being financed by the Government of Madras. The Centre is an immediate necessity and is under the active consideration of both the Governments of Mysore and Madras.
8.	Rural Industrialisation Scheme	4.50	-	4.50	This amount has been sanctioned by the State Government for introduction of the scheme in two districts in 1950-51. Rupees 2½ lakhs have been sanctioned by the Government of India. When extended to other districts, the annual grant of Rs.12 lakhs may be required. This represents 50 per cent of the total cost of the scheme, the balance being met by the State Government.
9.	Bessemer Electric Duplex Plant (Mysore Iron and Steel Works)	45.00	-	45.00	The expansion of the steel plant is necessary to convert the increased production of Pig Iron (obtained from the Electric Pig Iron Furnaces) into marketable steel. This plant is eminently suited for the purpose and is most economical.

1	2	3	4	5	6
10.	Billet and Light Structural Mill (Mysore Iron and Steel Works)	85.00	-	85.00	This forms an integral part of the expansion scheme of the Steel Plant and is an urgent necessity. Both the Duplex Electric Plant and this Mill have been sanctioned at a total cost of Rs.130 lakhs.
11.	High Tension Insulators Government Porcelain Factory	100.00	-	100.00	The expansion is necessary in view of the immediate need for stepping up production of Electro-Porcelain to meet the demands of the various hydro-electric projects in the country. The Government of India have blessed the proposal and the Central Electricity Commission has been pressing for early implementation.
12.	Expansion of Government Silk Weaving Factory, Mysore	7.30	-	7.30	For putting up additional looms and other preparatory equipment.
13.	Fertiliser Works, Bhadravathi	300.00	2.10	297.90	The importance and immediate necessity for starting this Fertiliser Industry has been accepted by experts and the approval of the Government of India has also been obtained. The concern will have to be started soon.
14.	Expansion of the Government Electric Factory.	57.00	-	57.00	This is one of the promising concerns requiring immediate further expansion by introducing up-to-date methods of manufacture and taking up other development schemes.
15.	Improvements to Shop Foundry Yard etc. (Mysore Iron and Steel Works)	26.25	8.60	17.65	Vide note to item (2) of the statement

1	2	3	4	5	6
16.	Special Alloy and Tool Steel Plant (Mysore Iron and Steel Works)	25.00	-	25.00	(Items 16 to 20) - These are new items of manufacture and represent quality products readily marketable and which command favourable facilities for their manufacture in Bhadravathi and are capable of yielding remunerative returns.
17.	Wire and Wire Products Mill (Mysore Iron and Steel Works)	25.00	-	25.00	
18.	Tube Mill (for Seamless Tubes) (Mysore Iron and Steel Works)	50.00	-	50.00	
19.	Stainless Steel Plant and Sheet Mill (Mysore Iron and Steel Works)	100.00	-	100.00	
20.	Calcium Carbide Plant (Mysore Iron and Steel Works)	2.50	-	2.50	
21.	Extension of Tramways (Mysore Iron and Steel Works)	26.00	-	26.00	With the proposed expansion of Pig Iron, Steel and other products, the requirements of fuel and ores will increase and there is an urgent necessity for expanding the Tramways to carry the required tonnage of ores and other material to feed these plants.
	TOTAL	1,131.75	125.32	1,001.43	
	Minus Rs.5 lakhs being the shares of the Government of Madras for Drugget Processing Centre	Rs.1,126.75			

Secretary to Government,
Development Department.

A SHORT NOTE ON THE WORKING OF THE RURAL INDUSTRIALISATION SCHEME.

During the period of nine months in which the Scheme is in force the following important stages of work have been completed:

1. The two Districts comprising a population of 17,01,331 lakhs (9,49,062 in Bangalore District and 7,52,269 in Kolar District) have been divided into 208 Village Group Development Unit areas (101 in Bangalore District and 107 in Kolar District).

2. 208 Village Group Development Committees have been constituted by holding elections following the proceedure prescribed in Village Punchayet Act.

3. The Committees have appointed 208 Village Group Development Inspectors selecting candidates who are generally the residents of the area. These Inspectors have been given intensive training in habits of discipline and some popular Cottage Industries for a period of six weeks.

4. The Committee Members have elected Presidents, Secretaries and Treasurers among themselves.

5. About 150 Committees have opened offices in the Central Head-quarters village and hung up maps of their areas. They have also collected essential statistics pertaining to their areas.

6. As regards funds to be collected by the Village Group Development Committees at not less than annas 0-8-0 per family towards their administrative and other expenditure a sum of Rs.2,38,000/-has so far been collected as against a target of Rs.3,12,000/-.

7. As a necessary aid for increasing the present production and income on a planned basis the Committees have commenced calculating their present per capita income under the heads, Agriculture, Industries, Trade and Services. This is expected to give them an idea of the effort required on their part to come up to the level of production in some of the advanced countries like America, Canada, Australia, Britain and Japan.

So far 130 Committees have calculated the present per capita income of their unit areas. A sample copy is enclosed for kind perusal. Almost all the Committees have framed their budgets for

for next four months, i.e., till 1-4-1951 so that from 1-4-1951 onwards they may prepare annual budgets.

8. To gain experience in preparing a planned programme of production and in working to the schedule, the Committees have been advised to increase their present production and income by at least Rs.25/- per annum per family. On the basis that an Unit area comprises a population of ten thousand, the Committees have been advised to prepare a target of production for four months, i.e., from December 1950 to 1st April 1951 so that annual targets may be fixed up from next official year onwards. This works out roughly as Rs.16,000/- per circle till 1-4-1951. The preparation of this target of increased production being the essence of the Scheme has been greatly exercising the minds of the rural population. For a community quite unaccustomed to working according to plan especially after the disappearance of collective thinking and working in the last two centuries, it is naturally appearing as a mighty task. But they are being time and again impressed that, that way alone lies the economic salvation of our country. So far, only about 50 Committees have prepared this target.

A sample copy prepared by one of the Committees is enclosed to this for kind perusal. It is hoped that in about a couple of months time, the Committees will have settled down on their important task in right earnestness and vision.

9. The actual starting of some important industries will commence as soon as raw materials such as, iron, steel and yarn as well as electric power are made available to the enterprising individuals. Necessary measures have been taken to make them available and it is expected that in about a month's time iron and steel would be made available. 80 persons in Bangalore District and 130 in Kolar District have come forward to start small work-shops at a capital cost of Rupees five lakhs for manufacturing agricultural implements, Persian wheels, bullock carts, etc. Six Tile Factories in the two Districts are under formation. Small agricultural-cum-cottage industries such as, Poultry

Poultry Keeping, Bee-Keeping, Sheep and Cattle Rearing, Spinning in Charka, Sericulture and Cotton Growing have received special impetus. An intensive drive is being launched in almost all the villages with the help of the Development Department Officers.

10. Six prizes of the value of Rs.100/- each have been announced to be awarded to the six best working Village Group Development Committees in the two Districts every quarter commencing from 1-4-1951.

11. As per the kind advice of Sir. M. Visveswaraya, District Committees not exceeding 25 members connected with the working of the Village Group Development Committees are proposed to be formed for co-ordinating the activities of the several Village Group Development Committees within the District for reviewing the working of the Scheme from time to time, for advising in the selection of the best working Village Group Development Committees for awarding prizes and for suggesting to Government, measures if any, necessary for the better working of the Scheme.

12. Government have recently constituted a Committee consisting of the following gentlemen with Sir M.Visveswaraya as the Chairman and the Special Officer as the Secretary for operating the Scheme.

(1) Sir M. Visveswaraya (CHAIRMAN)
(2) Sri S. Hiriyanniah, M.A., B.L.,
Retd. Revenue Commissioner in Mysore.
(3) Sri B.V. Narayana Reddy, B.A.,
General Manager, Bank of Mysore, Bangalore.
(4) The Additional Director of Industries &
Commerce in Mysore, Bangalore.
(5) The Deputy Commissioner, Bangalore District.
(6) The Deputy Commissioner, Kolar District.
(7) Chairman, District Development Committee,
Bangalore District.
(8) Chairman, District Development Committee,
Kolar District.
(9) The Special Officer, Rural Industrialisation
Scheme. (SECRETARY).

The Government of India have recently sanctioned a sum of Rupees one lakh and fifty-thousand as their contribution to 100 Village Group Development Committees and another Rs.1,00,000/- towards non-recurring expenditure under the Scheme in the current year.

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ELECTRICAL DEVELOPMENT IN MYSORE

A Note by Sri K. T. Bhashyam,

Minister for Electricity.

CONFIDENTIAL.

ELECTRICAL DEVELOPMENT IN MYSORE

A Note by Sri K. T. Bhashyam,

Minister for Electricity.

General.

The activities of the Department started with the servicing of the Power House at Sivasamudram for supply of power to Kolar Gold Fields with a small installation of 4,320 kW. in August 1902. Since then, the capacity of the Generating Station at Sivasamudram was increased as and when found necessary till it could not be further increased due to non-availability of water for power generation.

It was found that by conducting the Cauvery water over a distance of about seven miles, the head of generation of power could be increased by about 50 per cent. Thus the power generation at Shimsha came into existence. In order to utilise fully the life of the machinery already installed at Sivasamudram during nine installations from 1902 to 1938, the capacity of the Shimsha Generating Station was limited to 17,200 kW. which could be generated with utilising 300 cusecs. The balance of water is being used at Sivasamudram. The quantity of water to be made available from Krishnarajasagara during summer will gradually have to be reduced to 900 cusecs with the result that with the present installation at Sivasamudram and Shimsha, 600 cusecs of water could be made use of at Sivasamudram and 300 cusecs continuous at Shimsha. As the machinery installed at Sivasamudram becomes obsolete and requires replacement, additional machinery will have to be installed at Shimsha to divert all the 900 cusecs made available during summer from Krishnarajasagara, thus generating the maximum quantity of power that could be generated with the available water.

As it was soon found that power supply to be generated with 900 cusecs at Sivasamudram and Shimsha—or at a later date at Shimsha itself—was not adequate to meet the growing demand of the State, the Mahatma Gandhi Hydro-Electric Works came into existence and at present four machines of 12,000 kW. each have been commissioned already and four machines of 18,000 kW.

each are under erection. The total installed capacity of the station will be 120,000 kW. with a firm capacity of 102,000 kW.

The three Generating Stations are interconnected with a net work of transmission lines and various step-down stations installed at important centres serving 463 towns and villages.

Progress.

The progress of the Department can be easily visualised from the following statistical data. A comparison is drawn between the installations in existence at the end of the official year 1946-47 and as on to-day, indicating the rapid growth in various directions.

	1946-47.	*1950-51.*	
(*a*) Number of units generated per month ...	27,898,700	42,921,300	
(*b*) Number of units generated during the year ...	332,205,500	456,498,000* (estimated)	
(*c*) Annual gross revenue ...	1,18,32,559	1,50,35,000 (estimated)	
(*d*) Number of towns electrified	228	463	
(*e*) Number of—			
(1) Lighting installations.	61,308	90,809	At the end of Decr. 1950.
(2) Heating installations ...	6,350	4,925	
(3) Power installations ...		6,081	
(4) Irrigation Pumps ...	1,021	2,099	
(*f*) Length of transmission line in miles ...	1,366	1,644	
(*g*) Consumption of energy *per capita* ...	34·8	40·4	
(*h*) Capital outlay to end of ...	11,06,67,291	16,81,26,690 (up to Novr. 1950)	

It may readily be seen that the period during which the progress has been indicated above, is one of intense activity involving heavy capital outlay and extension of service to a very large number of places and also installation of generating units along with various works connected therewith, as well as construction of long lengths of high-tension transmission line, installations of step-down stations and construction of distribution systems in various towns and villages.

*NOTE.--Due to reduction of power during April and May 1950, and also due to fire in one of the Mines in Kolar Gold Fields during December 1950, the Units generated during 1950-51 have been reduced.

Generation.

With the completion of the II Stage of Mahatma Gandhi Hydro-Electric Works, the Department will have three Generating Stations, *viz.*, Sivasamudram, Shimsha and Jog, interconnected with a net work of high-tension transmission lines. As the stored valuable waters of Krishnarajasagar have to be utilised to the maximum extent for irrigation for growing more food, the discharge in the river Cauvery during summer has to be limited to 900 cusecs as measured at Sivasamudram from 1952 onwards in accordance with the agreement with the Government of Madras. Therefore, the power generation at Sivasamudram and Shimsha will have to be limited to what can be generated with the above quantity of water, which is as follows:—

Sivasamudram (600 cusecs)	...	22,800 kW.	
Shimsha (300 cusecs)	...	17,200 kW.	
			40,000 kW.
Jog ...	...		102,000 kW.
		Total ...	142,000 kW.

That is, the three Generating Stations can meet a system demand of 142,000 kW. at 75 per cent load factor. If due to increase of the basic loads like furnaces and other chemical industries which have a higher load factor, the load factor of the system were to go beyond 75 per cent, the combined peak capacity of the three Stations will be reduced proportionately. However, for purposes of our calculation we can assume 142,000 kW. as the combined capacity of the three Generating Stations.

The potentialities of the sites which have been either wholly or partially investigated are as follows:—

1.	Shimsha—By diversion of 600 cusecs from Sivasamudram to Shimsha Generating Station.	Additional ...	11,400 kW.
2.	Mekadatu	... ...	24,000 kW.
3.	Honnemaradu	... ...	360,000 kW.
		Total ...	395,400 kW.
		or say ...	400,000 kW.

Loads.

The three Stations now in service have carried a peak-load of 85,400 kW. At present, restrictions are enforced

throughout Mysore, Bangalore and K.G.F. area, that all power installations except a few mills should not work between 6 P.M. and 9 P.M., and if this restriction is removed, the peakload will be 90,000 kW. We have a firm commitment to the following extent:—

(1)	Mysore Iron and Steel Works ...	30,000 kW.
(2)	Government of Bombay	11,500 kW.
(3)	Government of Madras	10,000 kW.
(4)	Indian Telephone Industries ...	1,500 kW.
(5)	Hindustan Aircraft	1,500 kW.
(6)	Water Supply in Bangalore and Mysore ...	3,000 kW.
(7)	Machine Tool Industry at Bangalore and Bhadravati	25,000 kW.
	Total ...	82,500 kW.

It will be seen from the above that the following commitments have not been included, as no definite decisions have been taken in this behalf:—

(1)	Fertiliser Plant at Bhadravati ...	35,000 kW.
(2)	Electrification of Railways ...	5,000 kW.
(3)	Introduction of Trolley Buses in Bangalore	2,000 kW.
(4)	New Rod and Strip Mill and Bessemer Steel Plant	5,000 kW.

Apart from the above, the normal growth throughout the State due to extension of electricity to new areas and additional installations in the areas already electrified, will increase the peak demand on the Stations each year from 5,000 to 10,000 kW.

Thus it will be seen that the three Generating Stations with a combined capacity of 142,000 kW. will be fully loaded immediately power supply is arranged to Mysore Iron and Steel Works' Furnaces which are under erection and the Government of Bombay and Government of Madras, and therefore, there will be no power to be allotted to the Machine Tool Industry which has already taken a shape, and further throughout the State power will not be available from end of 1952-53 for servicing even a pumping installation or a flour mill unless additional generating capacity is provided.

Transmission.

Along with the installation of additional generating stations, a further net work of transmission lines will

have to be constructed and if the intention of Government is to increase the standard of living of the rural population and see that the rural population does not migrate to the urban areas, electricity should be extended to every nook and corner of the State in order that as many villages and towns as could possibly be electrified may be supplied with electricity, giving a fillip to lift irrigation and rural cottage industries which will be the only solution for the uplift of the country.

While placing the above facts, I suggest that due consideration may be given to the following recommendations :—

Generation.—The load having outgrown our anticipations, it is seen that the three Generating Stations will be fully loaded by 1952-53, and if additional generating stations have to come into existence, the following schemes should be taken up in their due order :—

(1) Diversion of 600 cusecs of water from Sivasamudram to Shimsha and installation of additional units for generation of power.

(2) Honnemaradu Scheme at Jog should be immediately undertaken.

(3) At least, one crore of rupees should be provided for extension of electricity to rural areas every year and another crore of rupees for extension of electricity to irrigation pumping sets in the dry districts of the State, apart from the grants required for establishing increased generation of power and construction of high-tension transmission lines and step-down stations connected therewith.

It may be mentioned here that increasing the capacity of generation in the State is a matter which takes considerable time. In the case of increase of power generation at Shimsha, it will take at least three years from the date of sanction and allotment of funds to carry out the work even at top speed. In the case of Honnemaradu, it will not be less than 5-7 years from the date of sanction before power generation can be secured in the new Generating Station at Jog.

In order to enable the Department to go ahead, we have to approve the following recommendations made by the Chief Electrical Engineer for surveys of the two schemes referred to above, which he submitted to Government :—

(1) Further power development in Cauvery Valley estimated to cost Rs. 90,000.

(2) Investigation of possibilities of further development of power in Sharavati Valley estimated to cost Rs. 6,96,000.

Approval to the above has to be accorded immediately so that he may take up the surveys, formulate proposals and submit the estimates for sanction of Government; and sanction to the estimates should also be accorded early, as otherwise it will not be possible to provide additional generating capacity to meet the demands that are definitely coming into existence. Surveys in the Sharavathi Valley area can only be conducted during 6–7 months of the year, and during the rest of the year, *i.e.*, during monsoons, no work can be done, and therefore if early results are to be achieved, immediate action has to be taken.

It must be our aim to see that agricultural and industrial developments are not held up for want of power as they would be if we did not start from now on to provide for additional generation of power. We have so far spent about 17 crores of rupees on electrical works and we are realising over 80 lakhs of rupees as net annual income after providing for Depreciation charges. It works out at about 5 per cent per annum. The income is a growing one even if we stopped all capital expenditure. It will be all the more profitable if we generate more power. The demand and use of power by the people is at once an indication and an assurance of the prosperity of the people and it must indeed be gratifying to us that people from all parts of the State are asking for more and more power. The more we meet the demand the more the prosperity of the people; and that is the least we can do for the State.

The people of Mysore are grateful to the authorities who undertook the scheme of generation of power in 1902 as it has secured the industrial progress and well being of the people of the State; and if we, the present generation, did not take timely steps to provide additional power required for the industrial expansion of the State, we will rightly be blamed by the future generation.

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